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# EDUCATION VOUCHERS: FOUNDATIONS AND PROSPECTS.

## A CRITICAL STATUS REPORT

A Dissertation Presented

By

GERALD LEONARD BRESSLOUR

Submitted to the Graduate School of the
University of Massachusetts in partial
fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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Education

# EDUCATION VOUCHERS: FOUNDATIONS AND PROSPECTS. A CRITICAL STATUS REPORT

A Dissertation
By
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April 1975

Education Vouchers: Foundations and Prospects.

A Critical Status Report (April 1975)

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Directed by: Dr. William V. Fanslow

Education voucher plans are a form of educational finance through which educational funding agencies subsidize students rather than schools. Students may spend their vouchers at any school, within certain limits. The resulting competition among schools is designed to improve educational quality by allowing market forces to reward better choices and to penalize weaker ones.

The theoretical considerations motivating current voucher proposals are examined. The historical development of the idea is traced from the eighteenth century to the present. Seven alternative proposals are presented. The (Milton) Friedman Proposal and the Center for the Study of Public Policy Proposal are both examined in detail, along with discussions of the criticisms each has drawn.

A field study was conducted in Alum Rock, California, site of the only existing voucher demonstration at the time of writing. The chief objectives of the field study are a comparison of the demonstration with the CSPP Proposal, upon which it is modelled, and an examination of how the theoretical issues have developed into practical issues at the demonstration site.

Wide differences between theory and practice are noted.

The field demonstration varies so greatly from its theoretical model that it cannot be judged a valid test of the ideas which motivated it.

Current legislative action on education vouchers is examined. Although vouchers have not been popular among legislators, the voters in New Hampshire have agreed to try a voucher demonstration. That project promises to be a more accurate replication than the Alum Rock demonstration.

A complete evaluation of the New Hampshire demonstrations would indicate whether the theoretical considerations which motivated current voucher projects are valid, an objective which the present study was unable to achieve. Although conceptual analysis indicated the validity of the ideas which have entailed the use of vouchers, those ideas have yet to be tested in the empirical realm.

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# C H A P T E R I

## REVIEW OF CURRENT LITERATURE: HISTORY AND DESCRIPTION OF CURRENT ALTERNATIVES

Education vouchers are the source of much current discussion. As a pilot project in Alum Rock, California begins its third year of operation, the voucher plan is being hailed by some observers as the most revolutionary change to visit American education in many decades. Agreement is less certain as to the merits of the revolution we are witnessing.

The central idea behind current voucher programs and proposals is quite simple and straightforward. Under voucher plans, the local education authority subsidizes the student rather than the school. Each family with school-aged children receives a voucher worth the cost of educating a child in that district. This voucher can then be redeemed at any school selected by the parents.

Those favoring such plans feel that the increase in familial options will benefit both the student and the educational system. Presumably poorer schools will fail to be chosen and will wither away. Meanwhile, market forces will bring into being educational entrepreneurs who will compete with each other and with existing educational institutions to offer more and better educational services.

Critics point out that such programs will or may open

the door to unethical hucksters. Critics express grave doubts that competition necessarily improves education. They often hold strong reservations concerning the uses to which such plans can be put in furthering racial segregation. Concerns have also arisen that such plans might be used to break down the barrier between church and state.

Before turning to a discussion of the merits of the arguments for and against various voucher proposals, we must place the idea in its historical context. Voucher schemes are quite old and have been supported, and are currently supported, by theorists who find very little else to agree upon.

For example, Adam Smith, the father of classical economics, and Christopher Jencks, who has been called a socialist, have both proposed voucher plans. Milton Friedman, the eminent libertarian economist, and Thomas Paine, the eminent defender of revolutions, both favor vouchers.

Throughout this chapter the remarkable differences among various voucher proponents will become evident. In general, two quite different philosophical approaches can be discerned. On one hand are proponents who argue from a free market, antistatist, libertarian position. The statements of Adam Smith, John Stuart Mill, and Milton Friedman fall into this category. On the other hand there are many theorists of a different stripe. Their

position is reformist, interventionist, and humanitarian. Plans presented by Thomas Paine, Christopher Jencks, Theodore Sizer and others fall into this category.

Adam Smith (1776) is generally credited with the first expression of the voucher idea. Smith was discussing the benefits to the state's commercial well being which the general education of its citizens can bring. Always fearful of the debilitating influence of monopolies against human improvement as he conceived it, Smith noted:

> The public can facilitate this acquisition (of education) by establishing in every parish or district a little school where children may be taught for a reward so moderate, that even a common laborer may afford it; the master being partly but not wholly paid by the public; because if he were wholly or even principally paid by it, he would soon learn to neglect his business. (p. 370)

Indeed, the charge that teachers have learned to neglect their business is implicit in some dicsussions of voucher plans. Needless to say, teachers are most resentful of such implications, real or imagined. Teacher unions have been the most vociferous, if not the ablest, critics of voucher proposals.

It will be noted that Smith's suggestion falls short of a modern voucher proposal. He suggested that the funds for the support of teachers are to be only principally private. However, the suggestion is only a step removed from

modern proposals, which currently would have the state supply funds to individuals.

A more explicit statement of a voucher plan came soon after Smith from Thomas Paine. In The Rights of Man (1925) Paine undertakes a defense of the then recent French Revolution. His discussion led him to an analysis of the unhappy lot of the poor. In the course of pointing out the unfair tax burden carried by the poor, Paine recommended that the government order a remission of taxes

> to every poor family out of the surplus taxes and in room of poor rates, four pounds a year for every child under fourteen years of age; enjoining the parents of such children to send them to school, to learn reading, writing, and common arithmetic; the ministers of every parish, of every denomination to certify jointly to an office for that purpose that their duty is performed. (p. 54)

No doubt the plan was considered too radical, involving as it did the remission of taxes. Since the poor had no representation at the time - only male property holders over twenty-one were enfranchised in England and America - it is not surprising that a program so much in their interest, and with no apparent gain for those in power, should have been passed over.

Half a century later, John Stuart Mill proposed a voucher plan for reasons rather different from either of his two predecessors. Smith favored vouchers as an efficient

means of contributing to the commercial welfare of the state. Also, as a free market economist, he favored programs which allowed for the free flow of private funds. Paine was interested in vouchers as a means to expand social justice. Mill (1909), however, favors the use of vouchers as a means to limit the control of the state in the lives of its citizens. This antistatist motivation finds its strongest contemporary statement in Friedman (1962), although it is present in others. Mill states:

> That the whole or any large part of the education of the people should be in State hands, I go as far as anyone in deprecating. All that has been said of the importance of individuality of character, and the diversity of opinions and modes of conduct, involves, as of the same unspeakable importance, diversity of education. A general state education is a mere contrivance for moulding people to be exactly like one another. . . . An education established and controlled by the state should only exist, if it exists at all, as one among many competing experiments, carried on for the purpose of example and stimulus, to keep the others up to a certain standard of excellence. . . .
>
> But, in general, if the country contains a sufficient number of persons qualified to provide education under government auspices, the same persons would be able and willing to give an equally good education on the voluntary principle, under the assurance of remuneration afforded by a law rendering education compulsory, combined with State aid to those unable to defray the expense. (pp. 315-6)

It is not exaggerating to say that no statement in

favor of vouchers has surpassed Mill's in force or clarity. The entire pro-voucher position is there in a nutshell, written over a hundred years before the present controversy got under way.

The salient points of the argument are reflected in more technical prose by Friedman (1962). An educational system run by the state will tend to become uniform. Uniformity of education tends to cause uniformity of character. Yet diversity of character, of opinions, and of conduct is the hallmark of a free society. Therefore, let those who can qualify as employees of the State become instead the employees of individuals. Mill would have parents pay teachers directly rather than indirectly through taxation. Our discussion of Friedman will reflect these same points.

No other written mention of voucher proposals was made until 1926 when a Cardinal Bourne suggested that British education could be improved through government subsidies of the poor which would permit them to attend parochial schools if they so chose.

In 1962, Milton Friedman devoted a chapter of Capitalism and Freedom to a discussion of the role of government in education. He and his son wrote a number of popular articles on the subject during the next few years. By the late 1960's a number of alternative proposals began to emerge, no doubt stimulated by Friedman's initial arguments.

In 1966, Jencks discussed voucher plans as a means of providing equal educational opportunity to the poor and to racial minority groups. Coleman (1967) expressed his belief that programs designed to increase educational diversity were urgently needed.

Sizer and Whitten (1968) authored an article titled "A Proposal for a Poor Children's Bill of Rights." They argued in favor of a program through which the federal government could supply each family with $1500 in educational funds for each child. This amount could be supplemented up to a total of $4300 per child as family incomes lowered. They argued that our goal should not be equal educational opportunity but equal educational attainment for children of all racial and ethnic groups. They suggested that the fifteen billion dollar annual costs would repay themselves in unforeseen social benefits.

During the next year Sizer (1969) wrote another influential article in which he argued for a free market for educational services. Arguing that the political structure and context of a school have an effect upon the quality of learning taking place within it, Sizer suggested that by giving parents influence in directing the school, students would gain unforeseeable benefits.

Levin (1968) claimed that the public schools had failed in their task and proposed the free market as the

remedy. Levin presented a detailed argument in favor of economic discrimination in favor of the poor using the device of allotting to them vouchers of larger cash value than those of the wealthier classes. In the process of presenting his position, Levin made the first detailed criticisms of Friedman's initial proposal. The nature of his criticisms will be discussed in detail in Chapter II.

Arguments in favor of experimentation with education vouchers continued to expand in the late 1960's and early 1970's. Kenneth Clark (1968), writing for the Harvard Education Review, made one of the strongest statements on record in favor of introducing competition into the educatioal system. He said, "As long as local school systems can be assured of state aid and increasing federal aid without the accountability which . . . comes with aggressive competition, it would be . . . wishful thinking to expect any significant increase in the efficiency of our public schools." (p.111)

Meanwhile a sizeable literature critical of vouchers had developed. Fox and Levenson (1969) take the straightforward approach that the public schools have done more good than harm and do not deserve to be eliminated or to lose state support to what may be another educational fad.

Kornegay (1968) notes that voucher plans offer no motive for improvement on the part of the schools. He suggests that the most likely competitor of the public school

system is the parochial school system. Since he feels that parochial schools may be lower in educational quality than the public schools, he does not foresee great gains to be won through the use of education vouchers.

Lutz (1971) has indicated that free markets are no guarantee of positive results. He notes that free markets have not produced safe cars or pure drugs. Dentler (1971) has pointed out that the poorest sections of a large city like New York could offer no educational alternative to a consumer.

Arguing against Friedman's claim that educational entrepreneurs will arise to compete for the vouchers of the poor, Ginzberg (1971) points out that the necessary entrepreneurial skills are relatively rare.

Selden (1971) has predicted that vouchers will cause money to flow away from ghettos. He fears that such programs will divert attention from the real problems of schools and children. Krystal and Henrie (1972) are convinced that voucher programs will undermine the public schools, create greater racial segregation, and violate constitutional prohibitions against state support of religion. They feel that reliance upon parental judgement in the making of educational choices is unsound. Clayton(1970) anticipated the same objections in somewhat less detail.

Shanker (1971) argues that once a voucher experiment

is begun, the process of its expansion will become irreversible. He predicts that public schools will degenerate and will be selected only as schools of last resort. Shanker, like Clayton and Henrie, predicted that a voucher program could never be approved.

Each of the objections described above has been repeated in various other articles. In addition, a wide variety of descriptive literature has been written. For a time, voucher proposals were made with great frequency, each one greatly similar to its predecessors. Each new proposal produced a rash of descriptive articles which attempted to keep the readers of the various journals current with developments in the voucher controversy. Such articles are useful to the student of the history of the voucher concept and are cited in the Bibliography. To cite each one here would appear to serve no useful purpose.

By far the most influential work in the field of education vouchers is "Education Vouchers: Financing Education by Grants to Parents" (1970). Prepared for the Office of Economic Opportunity by the Center for the Study of Public Policy (CSPP) under the direction of Christopher Jencks, the report discusses current alternative voucher proposals, analyses legal and social problems, and proposes a specific voucher plan to be used as a model by the OEO as it develops

experimental pilot projects.

The CSPP report distinguished the following seven voucher models.

1) The Unregulated Market Model (The Friedman Proposal)

In any school district, the total cost of educating all children is divided by the number of children to be educated. The resulting figure is the value of each voucher, every child receiving an equal share. Parents may supplement this amount as they wish and as they are able. Schools are free to charge tuition at any rate they see fit.

2) The Compensatory Unregulated Market Model

This model is similar to 1) except that poorer students receive vouchers worth larger cash amounts. Parents may still supplement voucher payments as they can and wish. Schools may charge whatever the traffic will bear. In this way, proponents of this plan hope to prevent better schools from being bid away from economically disadvantaged students.

Since the publication of the CSRP report, a new wrinkle has been introduced to this plan by Goddard and Goffman (1971) which is introduced here for the sake of completeness.

2a) Compensatory Price Competition Model

This model is similar to 1) except that parents receive a refund of some of the money they spend over and above the

value of the voucher. If the percentage of refund is high enough and if the schedule of refunds is sufficiently regressive, the plan may offer compensation to those with little or no money to spend on education.

3) The Compensatory Private Scholarship Model

Vouchers are distributed equally as in model 1). Schools may charge as they see fit but must not discriminate against those who cannot pay. They must offer scholarships to those unable to pay full tuition.

4) The Effort Voucher Model

Schools operate at four levels of cost to parents. For example, four schools, otherwise equal, operate at costs of $600, $900, $1200, and $1500 per year, respectively. Families will be taxed for the operation of the school system on the basis of their ability to pay and on the basis of the amount they have chosen to spend. Thus, a wealthy family choosing the least expensive school would be taxed at a very high rate. A poor family choosing an expensive school would be taxed at a very low rate, or not at all. In any case, poor families are charged less for educational expenses than are wealthy families and receive equal access to educational facilities. In this way, through a kind of indirect voucher, equal educational facilities are cheaper for the poor than for the rich. A very similar plan is called by its authors Family Power Assistance.

5) The Egalitarian Model

Every child receives a voucher equal in value to that of every other. Every school participating in the program must charge tuition at the same rate, which must be equal to the value of every voucher. Schools may not discriminate against students in any way.

6) The Achievement Model

The value of a voucher is proportional to the rate of the student's progress in school. Those who are gaining the largest benefits from school will have additional funds to make even better use of the schools.

7) The Regulated Compensatory Model

Vouchers are distributed unequally, the larger vouchers going to the poorest families. Schools may not charge tuition at a rate higher than the value of the smallest voucher. However, when a school accepts a poor child, it may keep the entire value of the voucher. Thus, schools can earn additional income by accepting a large number of economically disadvantaged children.

An Education Voucher Authority oversees the program to distribute information and to insure that schools are not practicing racial or ethnic discrimination. The Voucher Authority redeems vouchers for cash and can refuse to do so in the case of a school which violates any of the authority's regulations.

Each of these proposals has gathered or is gathering its own group of advocates. While it seems clear that each position derives from a well thought out foundation, it seems equally clear that each plan will appeal most directly to a particular economic class or to a particular political viewpoint.

Those favoring discrimination in favor of the poor at the expense of the rich are likely to favor plans similar to 3) the Compensatory Private Scholarship Model, 4) The Effort Voucher Model, and 7) The Regulated Compensatory Model. Those who oppose discrimination for or against any group obviously prefer plan 5) The Egalitarian Model. Those with excess funds available for educational expenses and those who prefer non-public schools are likely to favor plans like 1) The Unregulated Market Model. Compromise positions are offered by 2) The Compensatory Market Model and by 6) The Achievement Model, each in rather different ways.

The next chapter contains an examination of the two most influential voucher proposals. Included will be plans 1) and 7) above. The Unregulated Market Model (The Friedman Proposal) has been included because it is the oldest contemporary voucher scheme and because it has had the greatest influence on alternative proposals. In fact, it can be said fairly that every other current proposal represents a reaction

of some kind to the Friedman plan. Plans 2) through 7) are each different attempts to modify the impact and to redirect the effects which their authors believed would result from the unleashing of free market forces upon the distribution of educational resources. Finally, the Friedman Proposal has drawn much fire from those proposing alternative voucher plans and from those who reject voucher plans unconditionally. For these reasons, the Friedman Proposal offers an interesting field for study.

The other plan to be discussed in Chapter II is 7) The Regulated Compensatory Model (CSPP Proposal). This model has been selected because it offers the most comprehensive correction of the faults perceived by critics in the Friedman Proposal. At the same time, it seems possible that the CSPP Proposal can offer many of the benefits claimed for the original Friedman plan. Equally important, this model has been chosen for discussion because it bears the closest resemblance to the experimental pilot project operating in Alum Rock, California. The Alum Rock project is the only voucher plan operating in the United States at the time of this writing.

A further reason for selecting these two plans is that they represent better than any other pair of plans listed the fascinating contrast in motivations which is the historical mark of voucher proposals. The Friedman Proposal draws

directly on the free market, laissez-faire, antistatist, libertarian tradition which is characterized, if not defined, in the writings of Smith and Mill. The CSPP Proposal draws heavily on the reformist, interventionist, radical tradition characterized by Thomas Paine.

The major emphasis of the Friedman Proposal is the removal of the perceived perniciousness of government management from the schools. Equally important is the unleashing of free market forces, a perceived virtue on the part of Friedman. While these elements are not totally transformed in the CSPP Proposal, they are clearly not the same. The chief emphasis and purpose of the CSPP Proposal is the creation of conditions of equality of educational opportunity. This goal is not necessarily inconsistent with government management of the schools. The authors of the CSPP Proposal will claim that their goal is not consistent with government monopoly over education.

Put another way, it is a premise of the Friedman Proposal that educational resources will be distributed unequally. The rich can afford to bid the price of such resources higher than the poor can afford to pay. This is the case with many, if not all, resources. It is a natural and expected result from which Friedman does not flinch. On the other hand, it is a prime motivation of the CSPP Proposal that such unequal distributions do not occur.

Before turning to a discussion of these two voucher proposals, it will be well to point out that not all the literature on vouchers is involved in argument, advocacy, and theoretical considerations. The major exception to the rule is a formal evaluation of the Alum Rock voucher demonstration undertaken by the Rand Corporation (Santa Monica, California) for the National Institute of Education (NIE). (At the time the contract was made, the demonstration project was administered by the Office of Economic Opportunity and was transferred to NIE in a governmental reorganization.)

The technical plan for conducting the evaluation was completed in 1972 and is titled "Technical Analysis Plan for Evaluation of the OEO Elementary Education Voucher Demonstration: Technical Dissertation." Some of the results of the evaluation, chiefly those concerned with attitudes of parents and professional personnel, have been released by NIE in a report written by its director, Thomas Glidden, in December, 1973. Unfortunately, the main body of the report, though promised for early 1974, was not available from government depositories at the time of this writing (October, 1974). The results which are available will be produced in Chapter IV.

Because the Rand Study is going to produce findings of major importance for future voucher programs, at least of the Alum Rock variety, some attention needs to be devoted to the technical plan used for arriving at those findings, whatever

they may be.

The Study is an elegant piece of educational evaluation. Its ultimate purpose is to find the answers to the following five policy questions.

> 1. What is the desirability of implementing some mechanisms whereby parents can have a more direct voice in choosing the schools their children attend?
>
> 2. How should educational diversity, especially the creation of new schools, be encouraged by public policy, if at all?
>
> 3. Should some form of public support for private and parochial schools be initiated, and if so, what form should it take?
>
> 4. To what extent should "marketplace" incentives be introduced into education, and what form, if any, should such incentives take?
>
> 5. To what extent are a) vouchers and b) the manner in which vouchers were implemented in the EEVD (Elementary Education Voucher Demonstration) a necessary and sufficient device for the attainment of the objectives of public policy, including those which are the subject of questions 1-4 above? (p.9)

The answers to these general questions are deemed to be dependent on the answers to the following six questions, which are labelled "demonstration-specific."

> 1. What has been the effect of vouchers on the education of elementary students, especially the disadvantaged?
>
> 2. What is the effect on the available range of choice among school programs?
>
> 3. What is the impact of the demonstration on equality of educational opportunity?
>
> 4. What has been the impact of the demonstration on the economics of public education?
>
> 5. How has the demonstration affected the relationship between citizens and schools?

6. What has been the impact of the demonstration on social and political tensions? (p. 10)

The answers to these questions depends, of course, on information developed in the course of the study. In order to systematise this information, twelve information categories were developed. They are:

1. Educational results,
2. Attitudes of practitioners,
3. Programs and processes,
4. Attributes of new schools,
5. Distribution of students,
6. Allocation of resources,
7. Financial impact,
8. Governance and administration,
9. Status of professionals,
10. Parent attitudes and responses,
11. Community attitudes and responses, and
12. Consequences beyond the demonstration area. (p.11)

A chart is given (p. 13) which relates the six demonsration specific questions to the information categories. In this way, the plan can predetermine which categories of information are relevant to the answering of which questions.

For example, the answer to question 1 will be derived from information in categories 1,2,3,4,6, and 7; question 2 requires information from categories 3,4,5, and 12; while question 6 requires information from categories 8,9,10,11, and 12. (p. 13)

Forty outcome dimensions are listed. These dimensions are the smallest units used in the synthesis of information. They are grouped into three categories -- Political/Social (thirty dimensions), Economic/Cost (five dimensions), and

Educational (five dimensions).

Examples of the first type of dimension are

1. Practitioner assessment of local schools,
8. Administrative practices and behavior,
15. Parent opinions on integration,
19. Parent mobility,
25. Community attitudes on political activism, and
29. Voting behavior. (p. 14)

Examples of the second type of dimension are

2. Behavioral changes in educational suppliers,
4. Changes in resource allocations, and
5. Changes in fiscal flows. (p. 15)

Examples of the final type of dimension are

1. Cognitive achievement,
4. Teaching plans and practices, and
5. Sociology of the classroom. (p. 15)

A second chart relates the information categories to the outcome dimensions in the same way that the demonstration-specific questions were related to the information categories. Thus, information category 1 is related to outcome dimensions 1,2,4, and 17 (Political/Social); 3 (Economic/Cost); and 1,2, 3,4, and 5 (Educational). Information category 4 is related to outcome dimensions 1,2,3,8,9,11,12,15, and 18 (Political/ Social); 1,2,3, and 4 (Economic/Cost); and 3,4, and 5 (Educational).

Having built a ladder downwards from policy to information, the process can be reversed once the information is collected. Once the information has been collected to determine the outcome in each of the forty outcome dimensions, it becomes possible to synthesize upwards through the information categories, past the demonstration-specific questions and finally to arrive at

answers to the broad questions of policy to which the study is meant to address itself.

The technical plan for performing an evaluation of the Alum Rock project is a magnificent edifice, a model of what a "hardheaded" educational evaluation should look like. It should be pointed out here that the present study is not an attempt to replicate or duplicate the Rand Study. While the purpose of the Rand Study was to find answers to some broad questions of governmental and public policy, the purpose of this paper is to compare theoretical projections of a voucher project with an actual, operational design.

Something like this is a secondary objective of the Rand Study. Early in the report, the authors indicate that one purpose of the evaluation is the verification of what they call the "Theory of Voucher Intervention." (p. 5) The basic thesis of this theory is that "changes brought about by the voucher arrangement will cause improvement in student achievement and related educational outcomes." (p. 5)

A causal series is presented which generates the desired thesis. It runs as follows. Vouchers will create parental choice which will create incentives to create new schools. These new schools will give parents an even wider choice of programs. Since parents have a wider choice, they can gain control over schooling. Their greater control will lead to public and private school innovations. The innovations will pro-

duce greater parent satisfaction with schools. Increased congruence between parental preferences and school outcomes will improve students' cognitive and non-congnitive achievements.

The series is perhaps not as tightly joined as a chemist would like, but it is good enough for its purpose. The question remains as to whether the Alum Rock demonstration constitutes a good test of the theory. The conclusion of this paper -- a little further along -- will be that it is not. For this reason the beautiful structure of the Rand Study is going to be wasted, since the information gleaned will have little to do with vouchers as they have been discussed in these pages and everywhere else outside of Alum Rock.

The nature of the demonstration project makes it impossible to show that vouchers are either a necessary or a sufficient condition of the benefits produced by the voucher demonstration. In the causal series given above, the statement "students' cognitive and non-cognitive achievements improve" is to be entailed by a conjunction of all the other statements in the series.

If vouchers are a necessary condition of the desired improvements, then failure to meet the antecedent conditions should mean that the conclusion fails to obtain. In fact, the antecedent conditions were not met. The vouchers used in Alum Rock were quite different from anything used or discussed in the wide literature on the subject. To say more about them would be to get far ahead of the story, but the fact remains that if

the expected educational improvements occur -- and there is every reason to suppose that they will -- the claim cannot be made that vouchers were necessary to the outcome.

Of course, this is hardly a very damaging conclusion. Even the firmest believer in education vouchers must believe, if only in an unguarded moment, that educational improvement is possible in other ways. What is damaging is the fact that there will be no hint whether vouchers constitute even a sufficient condition for educational success.

First of all, since what I will call quasi-vouchers were used, all conclusions as to their sufficiency will deal with them, and not with true vouchers. More important, the Rand Study will not be able to demonstrate, although they may try, that even quasi-vouchers were a sufficient condition of the beneficial changes, assuming that they were actually measured.

Many of the qualities to be tested existed in the community before the advent of vouchers. Of course, this is not the fault of the study, but of those who chose the site for a demonstration. They may be forgiven if we remember that Alum Rock was the only district in the country to agree to try vouchers. If the OEO had decided not to use Alum Rock for the stodgy reason that it failed to offer ideal test conditions, there would be no demonstration at all.

Nevertheless, the qualities which vouchers were to produce,were already firmly established in Alum Rock before the

project arrived. Parents were already highly involved in school activities. Administrators were happy, for the most part, to have them so involved and were anxious to work with teachers to meet parents' needs. Further, teachers themselves expressed the wish to develop innovative programs and techniques but were hampered by a lack of funds.

All these things came to pass when vouchers arrived in Alum Rock. It may not be fair to claim even that vouchers acted as a catalyst, enabling these hidden properties to emerge. For when vouchers came to Alum Rock, so did large amounts of federal money to finance the project. These funds were poured into schools. The effects of large amounts of money pouring into a poor school district aching to innovate can be imagined without the technical mechanisms of the Rand Study. The existence of the funds alone ought to invalidate the findings in the five Economic/Cost dimensions and may well ruin any generalizations to be made from findings in other areas.

The data which the Study will present will be muddied by these considerations. Since NIE is likely to be impressed with results and not with theoretical niceties, a successful conclusion to the Alum Rock project will probably mean many other similar quasi-voucher projects. However, this need not be the concern of this study. We will be concerned with comparing the project to the theoretical concerns which fathered it.

Although the discussion of the Rand Study has necessitated

anticipating our conclusions, the following points should be borne in mind. Because the conditions in Alum Rock produced a voucher program significantly different from theoretical projections -- so much so that the propriety of using the term "voucher" in describing it is questionable -- the application of the Rand findings to the "Theory of Voucher Intervention" may well be inappropriate. Nevertheless, the Study may well offer a recommendation to NIE that programs similar to Alum Rock's are a useful way of producing beneficial educational change.

To that extent, the purposes of the Rand Study and the present investigation diverge. The purpose of this paper is the comparison of a living model with its theoretical projection. The fact that the Alum Rock project produced educational benefits will be of little interest to this paper since our findings indicate that the project is not a valid test of the principles with which we are concerned. This same fact may be of central interest to Rand and NIE.

The plan for the remainder of the paper is as follows. Chapter II will present the Friedman Proposal and the CSPP Proposal in detail. Equal attention will be paid to the many criticisms levelled at these two proposals. Chapter III will present the plan used for the field study at Alum Rock and Chapter IV will present the findings. Chapter V will evaluate the findings, review current legislation on vouchers, and look ahead at fresh possibilities for a true test of education vouchers.

# CHAPTER II

# TWO PROPOSALS AND THEIR CRITICS

## Section 1

## The Friedman Proposal

Critics outnumber advocates of the Friedman Proposal by a wide margin. Because the plan makes no provision for a guarantee that educational resources will be distributed among the population on anything resembling an equal basis, the plan is unlikely to gather the support of federal government agencies. Without such support, it appears unlikely that any voucher programs will be implemented.

Therefore, our discussion of the Friedman Proposal will not assume that it is ready for implementation. Rather, we will treat it as a body of ideas. By increasing our understanding of the plan, we will gain ground in understanding the more complex CSPP Proposal, many of whose provisions have been motivated by a negative reaction towards the Friedman plan.

The chief arguments in favor of the Friedman Proposal are contained in two documents. Chapter six of Capitalism and Freedom (1962), titled "The Role of Government in Education" is the most important of the two. The second is "The Case for a Voucher System" (1970) by David Friedman, son of the noted economist. References to "Friedman" are to Milton

Friedman unless otherwise noted.

It was noted previously that Friedman fits easily into the roomy category of laissez-faire antistatism. He countenances only a limited role for government. In his view, the job of government is to enforce contracts, prevent coercion of one citizen or group by another, and keep markets free. A free market is defined as a system of exchange in which the price of commodities, goods, and services is determined by their supply and demand alone. According to Friedman, governments are never justified in going beyond this role except on three grounds.

1) They may regulate natural monopolies which cannot be controlled by laws of supply and demand.

2) They may attempt to equalize "neighborhood effects." Friedman (1962) defines neighborhood effects as

> circumstances under which the action of one individual imposes significant costs on other individuals for which it is not feasible to make him compensate them, or yields significant gains to other individuals for which it is not feasible to make them compensate him -- circumstances that make voluntary exchange impossible. (pp. 85-6)

Friedman offers no examples, but they are not hard to imagine. A factory causes downstream pollution. It is not feasible to make the factory's owners clean the stream. In this case Friedman finds grounds for government intervention.

3) Finally, governments may be justified in expanding

their role for reasons of paternalistic concern.

Friedman concedes that it may be justifiable for governments to enter into the subsidization of the education of citizens on grounds of paternalistic concern. Although such actions may be justifiable, they extend only to general education for citizenship which Friedman distinguishes sharply from specialized vocational or professional education.

General education for citizenship includes the elements of literacy, mathematics, a knowledge of history and of the nature of civic responsibility. Government intervention into this sort of educational activity is justified also by the positive neighborhood effects of such education. Since the ability of any individual to take on the responsibilities of citizenship is clearly beneficial to others, the state is justified in intervening.

Although it is in the interests of the government and presumably of its citizens to subsidize general education for citizenship, nothing that has been said so far indicates that the state is justified in any way in managing the education of its citizens. The state may be justified in making capital expenses available to schools and may be justified in defraying the actual operating costs of education, but the actual management of the educational enterprise cannot be justified by an appeal to any of the three grounds for intervention given above. It follows that the management and/or ownership

of schools by the state is inconsistent with the antistatist premisses of the argument as set out by Friedman.

Further, both Friedman's emphasize that it is right and proper to allow schools to charge as much as they like for the costs of education. This will supply those schools which can attract money with the funds to bid for better teaching talent and better educational facilities. It will also permit parents who wish to and are able to spend more money for better educational programs to do so. The state can guarantee to all its citizens a minimum level of education. Those who are concerned with educational excellence and who wish to go beyond the legally required minimum will be free to do so.

Friedman conceives of specialized vocational education as an investment in human capital. Although he does not favor support of educational institutions or of scholars for such purposes, he does countenance investment by governments in human capital. A student who wishes to enter a program of professional training may apply to the government to invest in his education. The government might demand in return a yearly payment of a fixed sum or a fixed percentage of the student's income for the balance of his working life. The state will be making a good investment since the student's payments will come to considerably more than the initial capital outlay. At the same time, the student will have an opportunity to achieve his professional goals and can achieve

a significant economic advancement at the cost of a relatively small percentage of his yearly income. Again, none of this entails that the government is justified in owning, managing, or taking an active part in directing the education of its citizens.

Although Friedman agrees that many educational options will be bid away from the poor, he also argues that many new opportunities will be made available to them. According to Friedman, the poor are currently the victims of an educational monopoly. The only real choice available to them is a parochial education. David Friedman points out that such schools are currently attended by children who are somewhat poorer than the average child in public schools. Apparently, parochial schools offer an option to the lower middle class, but not to the truly poor. Ginzberg (1971) has pointed out that for inner-city Blacks parochial schools are likely to be distasteful on religious grounds, since most Blacks are Protestant while most parochial schools are Roman Catholic or Jewish.

As a result of these factors, the truly poor are offered no options. They are constrained by laws and by the whims of geography to attend one particular school. Ghetto schools are notoriously ineffective and inefficient. Minority group members, who are often identical with the poor, enter schools at lower levels of achievement than their white,

middle-class contemporaries and leave farther behind than when they entered, according to Coleman (1967).

If racial minority groups, and the poor generally, were directly subsidized by the government through the use of education vouchers, they would be freed from the clutches of an inefficient monopoly. Educational entrepreneurs, so goes the argument, would be attracted to ghettoes in order to take advantage of the funds being made available to families. Parents would be offered a choice and could select a program which seems most likely to benefit their children. Schools would be forced to compete to meet the needs of community members or go under like any other unsuccessful business enterprise. In this way, the options available to any family can be enhanced and the educational offerings of the schools can be invigorated by the rigors of competition.

The rich and the well-to-do would also benefit from such an arrangement. Because they have more dollars to spend on educational talent, the rich should be able to buy more expensive educational programs. What is true of any commodity is also true of education. The more money one has, the more options become available in selecting any product or service in the marketplace. Although inequalities will exist of necessity, these are less objectionable to Friedman than the inequalities created by a slothful monopoly.

So goes the Friedman scenario. A number of critics have claimed that the plan will do more harm than good. We will now turn to an examination of their arguments.

## Section 2

## Critics of the Friedman Proposal

Megel and Bhaerman (1971) take a direct frontal position against the Friedman Proposal. They argue that competition, far from being helpful to educational advancement, is likely to be detrimental. They feel that competition may lead to unprofessional attitudes on the part of teachers. In their view teachers may begin to use methods which appeal to parents and may pay too little attention to more professional aspects of their work. If teachers can attract clients through the use of attractive but ineffective devices, the quality of instruction may suffer.

Further, they fear that students will be exploited by a system in which schools may be reduced to raw and ugly competition to find enough students to stay afloat. They predict that teachers will be prevented from trying new ideas since school administrators will be fearful of losing students through an unsuccessful experiment.

Along the same line Lutz(1971) points out that competition has not led to the manufacture of safer cars, purer drugs, or more nutritious food. On the surface the argument

is ingenuous since Friedman is not claiming that competition will necessarily produce safer schools.

Perhaps Lutz means to say that competition will not lead to <u>better</u> schools. In that case the examples which he has adduced are poorly selected. The last half century has witnessed enormous technological gains in the fields of transportation, medicine, and nutrition. Clearly, many of these gains are due to the fact that manufacturers hope to capture a larger share of available markets by improving their products. On this interpretation, Lutz' statement appears to be false.

At the same time, it must be conceded both to Lutz and to Megel and Bhaerman that product improvement is not the only strategy employed by manufacturers seeking a larger market share. Advertising can also be used to effect without in any way improving the product. It is possible that schools will attempt to entice parents to spend their vouchers through the use of advertising claims which may be untrue or euphemistic. Although this may occur, this is not necessarily to say that competition must produce such results. Rather it suggests that regulations may have to be imposed upon the marketplace to help consumers make intelligent decisions.

Megel and Bhaerman also object that voucher plans will disperse available educational funds over a larger number of

institutions, leaving less money for each institution to use. As this argument applies to Friedman vouchers, it may be false. The Friedman Proposal provides that parents can make additions to their voucher allottments as they see fit and as the price of desired educational programs demands. It is possible that the gross amount spent for education will increase as a result of the use of Friedman vouchers.

It is also possible that the number of dollars available for some classrooms will shrink. If private schools, parochial schools, public schools, and the schools added by such educational entrepreneurs as turn up are all competing for a total number of dollars even somewhat greater than the current amount, it may happen that the amount available for some classrooms will diminish. As students move from public to non-public schools, the former will have to compete more and more sharply for available dollars.

In what sense is this an <u>objection</u> to Friedman's plan? The point of his voucher proposal is that schools will be forced to compete. What is an objection for Megel and Bhaerman is a virtue for Friedman. His position is that schools will have to do a better job to attract a reasonable share of a given market. Presumably, if public schools were doing a job which pleased parents and students, there would be no shortage of funds for them when competition with non-

public schools begins. Megel and Bhaerman appear to be arguing that we ought not to have a contest which the public schools might lose. Friedman, like proponents of almost all other voucher programs, does not attach any sacred importance to the existence of public schools. Jencks (1966) goes so far as to say that "if public schools could not survive in open competition with private ones, then perhaps they should not survive." (p. 27) This is a hard line, to be sure, but to dispute it we should have to find some special virtue which public schools possess which entitles them to their current monopolistic position.

Megel and Bhaerman point out that "technical, financial, and cultural achievements of our society found their basis in the public schools (p. 31)." They adduce no hard evidence in support of this claim, but assume it is true. If this is true, it may also be true that these same benefits could continue to be derived through public schools supported by education vouchers. Presumably the virtue lies in the school and not in the means of financing it. Friedman as well as Jencks can argue that if the public schools are indeed responsible for such widespread achievements, then the same market forces which reward Volkswagens but fail to reward Dauphines ought to reward the public schools.

Another critic, Ginzberg (1971), notes that voucher

plans will not help to decrease inequalities of educational expenditure among various states or among different local districts within states. While this is true, it is not true that voucher plans will necessarily exacerbate the problem. As long as communities finance education chiefly through property taxes, the problem will remain. Further, the problem is not due to the way in which schools are financed but to the way in which the subsidizing agency itself is financed. Recent Supreme Court rulings have upheld the validity of using property taxes to finance education. Until the ruling is modified or reversed, this issue is academic. (It was far from being academic at the time Ginzberg was writing.)

Carr and Hayward (1970) find two grounds upon which to object to the Friedman Proposal. First, they question the validity of the distinction between the public benefits of education for citizenship and the private benefits of professional education. It will be recalled that Friedman felt that government subsidization of scholars was justifiable only in the case of general education for citizenship. The justifications he cited included legitimate paternalistic concern on the part of the state and the desire to create positive neighborhood effects (see pp. 18-20). Friedman does not believe that the same considerations apply to the case of professional or vocational education.

Carr and Hayward argue that such a view of citizenship is unnecessarily narrow and restrictive. In a modern society the notion of citizenship and the notion of useful work may be bound together.

Apparently Friedman feels that education for citizenship means equipping the student with the skills which will enable him to vote intelligently and to understand the actions of his government through the reading of newspapers and the like. Carr and Hayward seem to perceive the citizen in more direct and continuous contact with the agencies of the state. His useful work provides direct benefits to others and indirect benefits through the creation of taxable revenue. At the same time, the citizen receives direct and indirect benefits through the actions of other citizens and through his government. In the view of Carr and Hayward, all these benefits may be lost if the state does not help citizens to obtain desired professional and vocational training.

Of course, Friedman agrees that the state should provide assistance to its citizens in just this way. He feels it is more consistent with the proper role of government for this assistance to be provided through investment rather than through subsidization.

Whatever the philosophical virtues of the two sides of the argument may be, it appears that the position of Carr and Hayward is closer to reality. Citizenship in our society does

seem to be bound up with useful work.

However, this view of citizenship is entirely neutral as to whether the state should support the scholar or the school. While Friedman's view of citizenship may not be accurate, this fact does not upset his position that the state is justified in subsidizing but not managing the education of its citizens.

Carr and Hayward's second objection concerns the possibility that the use of vouchers as recommended by Friedman may produce greater racial segregation than would otherwise occur. As the price of good education goes up due to market pressures, the poor will be forced to attend less expensive schools. Since, in urban areas, the poor are often members of racial or ethnic minority groups, it seems likely that market forces will segregate races in the process of segregating economic classes.

Friedman claims that inexpensive quality education will become available to the poor. He expects that in the ghettoes there will arise educational entrepreneurs who will supply the poor with educational programs of high quality. Competition for vouchers of the poor, Friedman expects, will stimulate the creation of many innovative programs. While racial segregation may occur, this may not necessarily be a bad thing in his eyes. Presumably, Friedman feels that such

segregation is less evil than the influence of the state in forcing integration on unwilling citizens.

However, Ginzberg (1971) points out that economic theorists have long assumed that entrepreneurial skills are fairly rare. If this is so, it is not reasonable to expect a large number of new educational enterprises to spring up anywhere. (Ginzberg does not name the theorists to whom he refers. Presumably they do not include Friedman.)

Levin (1968), who argues for a controlled market, makes the most telling points in this argument. He notes that sellers of high quality education are not likely to come to ghettoes. If education follows the marketing pattern of other goods and services, he expects that the poor will pay more and get less. Taking retail department stores as an example, Levin notes that those of high and middle quality will not be found in ghetto areas.

He further argues that it is unreasonable to expect any services suddenly to spring up, whatever the quality. Prince Edward County, Virginia, in an effort to avoid racial integration ordered by the Supreme Court in 1954, closed all its schools and instituted a voucher plan. Although services sprang up for the benefit of whites, no educational services at all developed for the benefit of blacks. Barred from the white "private" schools, blacks simply went without education until the Supreme Court found the voucher plan unconstitutional.

Levin also argues that the provision Friedman makes for private supplements to voucher payments would quickly bid services away from the poor. This is a result which Friedman seems happy to live with, since he is convinced that alternative and cheaper services will develop in poor districts. But Levin points out that there is no evidence to suggest that such services would arise, and there is some reason to suppose that they will not. He feels that the negative aspects of Friedman's plan will materialize quite rapidly, while the positive results may never occur at all.

In his extensive criticism of Friedman, Levin brings still more arguments to bear. He notes that capital expenses in ghetto areas are higher than in more prosperous suburbs. As a result, a larger proportion of a ghetto voucher will be spent on capital costs. A smaller proportion will be spent on operating costs than would be the case in a suburb. In this way, not only will the poor have fewer dollars to spend, but their dollars will be less effective on a cost basis than those of their wealthier neighbors.

Further, if a poor family could manage to send its child to an expensive school, Levin wonders how they will get him there. Friedman feels that payment of transportation costs to and from school is not a proper function of government. While the cost of school transportation will not make

a particularly large dent in a middle class family's budget, it is likely to amount to a sizeable proportion of a poor family's budget.

Levin argues that the poor, ordinarily less sophisticated in educational matters than their wealthier neighbors, may have difficulty making proper educational decisions. Friedman has suggested that the poor choose by emulating the rich, whose tastes in other matters often become fashion. Levin argues that the poor have no resources with which to emulate the excellent tastes of the rich.

Finally, Levin notes an interesting application of the law of diminishing returns. Friedman claims that an advantage of his proposal is the feature which allows families to supplement their voucher allowance with private funds. Levin argues that upper and middle class children already have an enormous educational advantage over the poor when they come to school. Since their home life is consistent with and conducive to high educational achievement, upper and middle class children are likely to receive relatively small gains from the investment of additional funds.

However, the poor operate at distinct educational disadvantages. They come to school behind their wealthier contemporaries in educational achievement because, as Coleman (1967) notes, poor homes seem to lack some properties which

are conducive to educational attainment. In addition, poor children end up further behind their wealthier neighbors at the end of their school careers. This fact has been blamed on the schools. Levin argues that it is more reasonable to expect that investment in ghetto areas can produce more benefit per dollar than can investment in wealthy suburbs. As social policy, he says, it makes little sense to use a plan which will plow dollars into areas where they are least needed.

Levin's arguments strongly suggest that some form of regulation is required in a proposed educational marketplace. Nevertheless, his arguments do not refute Friedman's central claim that government management of schools is unjustified. Indeed, Levin agrees with Friedman that competition can effect needed changes in the operation of public schools. Both Friedman and Levin expect that schools forced to compete for vouchers of prospective students will lose the sloth characteristic of monopolies and will begin to innovate and to change faster in more experimental directions than is currently the case.

On the other hand, it appears that Levin's strong reservations concerning an unregulated market must stand. Given the marketing pattern of other goods and services, it does not seem likely that educational services of high quality will come to ghettoes. It seems probable that the poor will get the choice of the worst buildings and the worst teachers.

This becomes particularly likely if it is possible for families to supplement voucher payments with private funds.

Given Levin's arguments, it is reasonable to suppose that our current problem of educational inequality will be greatly exacerbated by a program of unregulated competition of the type proposed by Friedman. The rich and well-to-do will have more money to spend on increasingly good schools while the poor will have less money to spend on the poorest schools. Further, the dollars spent by the poor can be spent less effectively than those of the rich because of higher capital costs in the areas in which they live.

The Friedman Proposal is not designed as a plan for social action. In the antistatist, laissez-faire tradition of Mill and Smith, Friedman was casting about for a way to remove the influence of government from the education of the citizenry. While acceptance of the Friedman Proposal would insure that the American educational system could not develop into a repressive arm of the state on the Soviet model, it also offers little hope that free market pressures will aid in equalizing the benefits derived from the educational system by different economic, racial, and ethnic groups. It appears that the latter is a more clear and present danger than the former.

## Section 3

## The CSPP Proposal

Despite flaws in the Friedman Proposal, the idea that competition can become a major creative force in American education continues to find support. The CSPP Proposal represents the most extensive attempt so far to keep the positive aspects of the Friedman plan while minimizing or reversing its expected negative effects.

In 1969, the Office of Economic Opportunity requested that the Center for the Study of Public Policy conduct a study of current voucher alternatives. Titled "Education Vouchers: Financing Education by Grants to Parents" (1970), the report was only marginally an examination of alternative proposals. The main thrust of the report was a discussion of CSPP conclusions as to the most effective means of organizing voucher programs and a statement of conditions under which it would be best to develop pilot projects deserving of OEO support. Several large appendices to the report discussed legal problems relating to the possibility that education voucher programs may result in violations of the First and Fourteenth Amendments. A discussion of these issues will be found below in the next Section.

Chief architect of the report was Christopher Jencks, a professor at Harvard University. Jencks' first written comments on education vouchers, written in 1966, contained the

often quoted comment that "if the public schools cannot survive in open competition with private ones, then perhaps they should not survive (p.27)."

Teacher organizations have taken such comments as a direct affront. The most vociferous criticisms of the CSPP Proposal have come from the American Federation of Teachers and from the National Education Association. Teachers have not been alone in attacking voucher plans. Concern over the plan's impact on the First Amendment separation of church and state has prompted objections from the Anti-Defamation League of the B'nai B'rith. Prospects of Fourteenth Amendment violations have drawn criticisms from the American Civil Liberties Union and from the National Association for the Advancement of Colored People. An opinion poll published in the National Elementary Principal (1971) indicates that 43% of the principals polled were strongly opposed to the introduction of voucher plans into their districts. Another 23% felt that such programs would divert public funds from their schools. Only 15% thought the plan a good one, while 19% had no opinion.

There are three reasons for selecting the CSPP plan for study above others. First, it offers a much different rationale and emphasis from the earlier Friedman Proposal. It represents the latest statement in the radical interventionist tradition of Thomas Paine.

Second, the CSPP plan is the most sophisticated of

of current proposals. Many of its provisions foresee potential problems and offer solutions to them before they occur.

Finally, this is the proposal which most resembles the voucher plan currently being tested in Alum Rock, California. It is the only proposal upon which a working model has been based.

The CSPP Proposal is referred to by its authors as the Regulated Compensatory Model. It is regulated by a local or regional governing agency called an Education Voucher Authority (EVA), which places controls on the marketplace through the redemption of vouchers for cash. Schools which fail to meet the EVA's standards cannot cash their vouchers. The model is called "compensatory" because children from poor families receive vouchers of greater value than children from wealthier families receive.

The EVA has the responsibilities of informing parents of their educational options, policing the voucher operation, and managing the smooth functioning of the entire system. In accordance with Friedman's earlier principle, the governing agency handles the subsidization of students but does not participate in the management of schools.

The EVA redeems vouchers according to the following guidelines.

1) Schools must not discriminate in any way against

racial or ethnic minority group members who apply to schools for admission. If a school receives fewer applicants than the total number of places it has available, the school must admit all who apply.

If a school receives more applicants than the number of places it has available, it may admit up to half through any means it likes, provided that discrimination does not occur. A school is considered not to discriminate if the racial and ethnic character of the students accepted is proportional to the racial and ethnic composition of the students applying.

Applicants not chosen by the first method are selected by lottery. In this way, every child has an approximately equal chance of being admitted to the school of his first choice.

2) Schools must charge tuition at a rate not higher than the amount of the smallest voucher. This condition eliminates the possibility of private supplements to public vouchers which many critics feel makes the Friedman plan unacceptable. Obviously, this condition is designed to make the admission of economically disadvantaged students more attractive to schools. Schools can increase their income by accepting economically disadvantaged children.

3) Schools must have uniform expulsion codes approved by the EVA. This condition will prevent the practice, openly

feared by Jencks, of schools admitting poor students for the value of their voucher and then expelling them on thin or vague charges.

These three regulations are designed to insure the following. First, every student will have an equal chance of entering the school of his choice. Second, lack of money will not deprive students of a good education. Third, once he has been admitted by a school, each student has the same chance to stay in.

The CSPP report strongly characterizes public education as a monopoly. It notes that there are three arguments generally used to justify the existence of a monopoly. The first defense of monopolies is that competition is technologically inefficient. Such an argument might be used by a telephone monopoly, if such a monopoly existed. The second defense is that consumers are not competent to make intelligent decisions concerning a particular type of product or service. The third defense is that competition will cause consumers to maximize their private advantages in ways inimical to the general welfare. In Friedman's terms, the last argument states that competition may produce untoward neighborhood effects. In support of its own program, the CSPP report attacks each of these arguments.

In answer to the first argument, CSPP points out that such a position may have had application to education at a

time when the nation was chiefly rural. If a community can support only one school, then competition will produce only needless duplication. However, the density of modern urban areas does make competition technologically efficient. In addition, competition may serve to remove the inefficiencies which overcrowding has produced in the public schools.

The second defense of monopoly questions the ability of consumers to make intelligent decisions. CSPP points out that government support of a particular product makes sense only if the government is less likely to make errors of judgement than is the individual consumer. Presumably the government can afford to pay for the opinions of experts and the average citizen cannot.

For example, the drug industry sells products which the average consumer is not competent to judge. The government hires experts who see to it that consumers have only safe drugs to choose from. In education the case appears to be different. There is no body of expert opinion which can prescribe a particular educational program for a particular child.

Of course, the government may see to it that certain minimum standards of education are met by each school. Parents would then have a list of approved schools to choose from. This procedure will insure that when a parent selects a school, he can have confidence that his school will meet

a given set of standards, in the same way in which he has confidence in the drugs and meats he selects. This is precisely the purpose which an EVA can fulfill. So far the argument from parental incompetence has established only that the market needs regulation, and the CSPP Proposal is ready to concede that point without argument.

What if there were educational experts who could prescribe a particular type of educational program for any given child in the same way in which a physician prescribes medicine? Would this fact argue against a regulated voucher plan? If the answer to the second question is Yes, then why is the drug industry not a state monopoly?

The two cases are parallel. A set of experts makes a prescription for treatment of a given kind to a layman. The layman then fills the prescription on the open market. No matter how incompetent he may be, his choice is certain to meet standards established by government for the consumer's own benefit. While he might be able to make a better choice, he cannot make a bad one.

But if he could make a better choice, shouldn't the decision be taken out of his hands and given to someone who could make a better choice? This question sounds reasonable, but it suggests something antithetic to the notion of a free society. Suppose a man wishes to buy the most economical car

of a given size. Instead, he is persuaded to buy the car which looks the shiniest, and this car is not as economical as others he might have chosen. This individual could have made a better choice and may well regret his selection for years to come.

The suggestion in the question at the beginning of the preceeding paragraph is that the right to select his own cars should be removed from our incompetent friend and handed over to an agency of the state. Clearly, this is not the way in which our society would go about solving such a problem.

Multiply our example by hundreds of thousands and assume that the inability to select economical cars constitutes a national problem. Such circumstances can be used to justify government regulation of the marketplace. The government might require car salesmen to post certain data in a conspicuous place in their showrooms. Alternatively, the government might make such information available to anyone who requested it. No doubt there are many other ways in which the state could intervene to aid consumers in making good decisions. One thing the state would not do is simply assign consumers to cars in an attempt to prevent poor decisions from being made.

The case just presented is perfectly parallel in every logically relevant respect to the case of education. Of course, education seems more important than cars and the

defender of the public monopoly might wish to shift his ground from the logical to the pragmatic. Even so, there are many equally important decisions in which the state does not directly take a hand. One's choice of career, selection of one's spouse, decisions concerning where to live and how many children to have, if any, are unquestionably very important. Many people make these decisions very poorly, yet the institution of state control in these cases would contradict the notion of a free society.

The government does not interfere in many important decisions of its citizens. This fact appears to reflect an assumption that people have the right to make a wide variety of decisions concerning their lives and the lives of their children. Further, we do not seem to feel that people lose that right because they make their choices badly. Those who argue in favor of state monopoly in education wish to exempt education from this general assumption. The preceeding considerations indicate that there are no particular <u>reasons</u> for granting such an exemption to public schools.

The third argument in favor of maintaining an educational monopoly is that the maximizing of benefits for some individuals will adversely affect the public good. The CSPP report accepts this argument. It agrees that an unregulated free market is worse than no voucher plan at all. The report

states that this argument is one of the reasons the CSPP felt that the creation of an EVA was necessary. The EVA is designed to prevent the seeking of private advantages from becoming public problems. Put another way, this third argument is more properly directed against the Friedman Proposal.

The rationale for unequal vouchers weighted in favor of the poor was first presented by Jencks (1966). He claimed that twice as much money is spent on the education of white suburban children as is spent on the education of poor, urban, minority children. He arrived at that conclusion through the following considerations.

The dollar amounts spent on education for each child in the suburbs are roughly one and one-half times greater than the amounts spent for each child in the inner cities. Because of conditions in neighborhoods and families suitable to educational success, middle class children tend to stay in school longer than poor children. According to Jencks, the average school career in the suburbs is between sixteen and seventeen years. In the inner cities, the average length of education is between nine and ten years. The middle and upper classes spend more money per year per child for a greater number of years than do the poor. Jencks estimates that about $5000 is spent on the education of a poor child while about $10,000 is spent on the education of a wealthier child.

Now, if wealthy districts and poor districts each divide up their available educational funds and distribute the resulting quotients among their respective students, it is clear that poor children will continue to have less money spent on their educations than do wealthier children. One solution to this problem might be to have EVA's direct the affairs of voucher programs in several districts, taking care that the districts in each Authority's jurisdiction represented many different economic levels. Such an approach has political drawbacks, since wealthy districts will not easily permit the value of their vouchers to decrease through dilution in poor ditricts.

Another solution, recommended by the authors of the CSPP report, involves direct Federal subsidies to poor districts. To the extent that money is a solution to problems of educational inequality, this proposal will tend to level poorer districts upwards. Jencks recommends that the requirements for eligibility for subsidies be liberal enough for at least half the population to receive them. He hopes in this way to induce a large portion of the population to believe that they are receiving direct benefits from voucher participation. A number of commentaries suggest a sliding scale adjusted heavily in favor of low-income families. (See "Issues of Grants and Loans ..." (1971), Krebs and Stevens (1971), and Pollev and others (1970) ).

## Section 4

## Criticisms of the CSPP Proposal

One of the virtues of the CSPP report is the fact that it anticipates and attempts to answer possible objections to its voucher plan. In the previous section, three arguments traditionally used to justify the existence of monopolies were discussed. The refutation of those arguments may be said to constitute a justification of the CSPP Proposal. Having justified the plan, we now examine less fundamental objections with a view to discovering how the authors of the plan defend it.

Shanker (1971), president of the American Federation of Teachers, states in a highly strident article his opinion that voucher experiments will be "irreversible." He fears that once pilot projects begin, there will be no way to end the experiment, even if unsuccessful. However, the Alum Rock project made definite plans to terminate at the end of its first year of operation and presumably would have done so if support for its continuation was not forthcoming from parents and teachers. If the community had not wished to continue the experiment, the project's directors intended to end it. Since the project was able to make reasonable plans for this contingency, it is difficult to accept Shanker's claim that they could not have carried out their plan, even if the

community had wanted them to do so.

Another union official, David Selden, urged the House Committee on Education and Labor to curtail funding for voucher experiments before they had begun. Like Shanker, he feared that even the smallest experiment would grow like "cancer." The committee noted that it was unusual for educators to want to call off any experiments before results could be evaluated and refused to do so. (See Beckler (1971).

A chief fear of the AFT and of the NEA is that public schools will become the schools of last resort. They fear that parents will flock to new alternatives, private schools, and parochial schools. As a result, they say, public schools will receive only those students who fail to be admitted to schools of their choice or students who are so uneducable that no one else will take them.

These organizations feel that educational funds are so precious that they ought not to be squandered on what may be just another educational fad. They would prefer to see funds used to improve school facilities, materials, and teachers' salaries.

It is difficult to assess these dire predictions. One feels that they are not so much arguments as fears expressed in the form of arguments. Clearly, no union wants to see its influence wane. That is understandable. If one has faith that in the long run families will tend to select those schools

which are doing the best job, then those public schools which are performing adequately ought to have nothing to fear.

What is true of the unions is not necessarily true of the teachers. The Alum Rock project continues to operate only because it has the support of local teachers and parents. Because this decision appears to have been motivated by factors quite different from the ones under consideration here, a discussion of its significance will be deferred to Chapter V.

Other concerns have been raised concerning the CSPP Proposal and we will now turn to these. CSPP notes that the Anti-Defamation League of the B'nai B'rith is concerned that voucher programs will lead to the abandonment of the principle of separation of church and state should parochial schools be permitted to cash vouchers. The First Amendment prohibits Congress from adoption of any measure which may lead to the institution of a state religion. It is not clear whether this prohibition entails further prohibitions against parochial school participation in voucher programs.

Voucher proponents point out that no voucher program would involve giving public funds to parochial schools for the purpose of religious instruction. Voucher funds are given to private individuals who may spend them on any educational program that appeals to them.

Four Supreme Court cases are cited by those favoring the institution of voucher plans on the CSPP model. In

Bradfield v. Roberts the Court ruled that the Federal government may make grants for the purpose of building construction for a hospital sponsored by a religious organization. However, the hospital was funded by an act of Congress, and the legal principles involved are too narrow for application to vouchers. In Quick Bear v. Leupp the Court ruled that the government may make payment of costs to a Catholic school on an Indian reservation. Again, the principle developed is too narrow for application to voucher programs since the Court was concerned with possible violations of a Sioux treaty and not with church-state issues.

Everson v. Board of Education provided that states may make available transportation to and from parochial schools. Allen v. Board of Education provided that public education agencies may make their textbooks available to parochial schools.

Three recent decisions indicate that the courts may be changing their minds on these matters. Walz v. Tax Commission ruled that government agencies must avoid all "excessive entanglements" which might aid in favoring any or even all religions. In Protestants and Other Americans United v. United States the Sixth Circuit Court of Appeals ruled that the lending of public library facilities to parochial schools in fact runs afoul of the "excessive entanglement" stipulation developed in Walz. The barrier against any form of public aid to parochial schools was raised even higher by the Supreme Court decision in Lemon v. Kurtzman. In that case, the judges overturned two laws: a Rhode

Island statute permitting the state to supplement parochial school teachers' salaries up to 15%, and a Pennsylvania law which allowed the state to reimburse private and parochial schools for salaries, textbooks, and other materials in some secular subjects. The Court declared that such laws caused impermissible entanglements of church and state affairs.

The Lemon decision is a major landmark in the development of the Court's view on the subject of state aid to non-public education. Its effect on voucher programs and plans has been enormous. In Alum Rock, site of the only existing pilot project at the time of this writing, administrators have dropped all plans to include parochial schools in the voucher project. The governor of New Jersey, who favored state aid to parochial schools, vetoed a bill approving such action through a voucher program. He felt that it was foolish to attempt to implement a program in violation of the Court's constitutional interpretations. A number of other states refused to implement voucher plans following the Lemon decision.

It is not at all clear how much of this action has been rational. It is by no means certain that when a family spends a voucher at a parochial school, the result is an entanglement of church and state. Is a voucher public money which local agencies grant to parents, or is it private money which the

local agency returns to parents? The answer is not simple. Examination of a similar case leads us to the conclusion that current reaction to the Lemon decision may be premature. Veterans receiving funds under the GI Bill can spend these funds at any educational institution of their choice. Such funds are regularly spent at secular and parochial, public and private colleges and universities. To the extent that voucher payments offer an analog to payments under the GI Bill, it ought to be permissible to spend them at any institution of one's choice.

Is the analogy valid? The answer to this question rests largely on what the Supreme Court will say. To this date, the Court has not been asked the appropriate question. If the Court feels that voucher payments become private funds when a citizen receives them, it might rule that payment of such funds to parochial schools is permissible. If the Court feels that such funds remain public even when in the hands of private citizens, it will make the opposite ruling. Until a case involving actual voucher payments to parochial schools is brought before the Court, any decision that such action is unconstitutional must be deemed premature.

Should it happen that the Court rules that support of students who wish to attend parochial schools involves "excessive entanglement," this ruling would limit the choices available to some families without damaging the central prin-

ciples of voucher programs. Kornegay (1968), in an article critical of voucher plans, points out that parochial schools may not represent any improvement over public schools. If that is so, then limiting the range of choice to exclude parochial schools ought not to affect the basic benefits which proponents of the plan have claimed for it.

The CSPP report notes that both the ACLU and the NAACP both have strong reservations concerning the legality of voucher programs. Both organizations feel that such programs serve or may serve to promote racial segregation through the use of public funds. In fact, the very first voucher programs were begun in Southern states in an effort to circumvent the 1954 desegregation ruling of the Supreme Court. The program developed in Prince Edward County, Virginia has been mentioned briefly in this regard (see p. 39).

According to the CSPP report, the Supreme Court has ruled that vouchers whose purpose is to aid any school organized for the purpose of excluding children on the basis of race are unconstitutional. This ruling was made in direct response to voucher plans like the one in Prince Edward County.

In addition, the CSPP feels that any voucher program whose probable or actual effect is to aid schools organized for purposes of racial segregation is probably unconstitutional.

Although the program itself may not be designed to create or to maintain segregated educational facilities, if these results are in fact obtained it seems likely that the Court will find against the voucher program.

CSPP points out that the regulatory function of the EVA is designed to avoid just such occurences. The EVA can refuse to support any school by refusing to cash its vouchers if the agency can present reasons for believing that the school has practiced racial discrimination in the selection of its students.

The possibility of discrimination does not arise unless a school or program has received more applicants than it can reasonably provide for. Unless such oversubscription occurs, the school must admit anyone who applies or lose its EVA support.

When oversubscription does occur, schools must admit at least half their students by lottery. Presumably the laws of probability will insure that the racial and ethnic composition of the group admitted will be proportional to the racial and ethnic composition of the group applying.

Students not selected by lottery must be selected in proportion to the racial and ethnic makeup of the group of applicants, although schools may use any other criteria they like for this group. (It is not clear in the report whether this group is to be chosen in proportion to the composition

of the remaining group or of the original group.)

In case economic segregation should coincide with intended or apparent racial segregation, all schools must charge tuition at a rate not greater than the amount of the smallest voucher. This provision is intended to insure that every student has the ability to pay the cost of his education.

Given these conditions, it appears that racial discrimination will be very hard to achieve in a regulated voucher plan unless nearly all the participants want to segregate themselves. If members of different racial groups choose to attend separate schools, racial segregation will occur. It is not clear that such conditions would violate the Fourteenth Amendment or the 1954 desegregation decision.

These considerations appear to weigh heavily in favor of the CSPP Proposal. Vouchers appear to offer equal educational opportunity to members of each racial group. At the same time it is doubtful that they will lead to a breakdown of the separation of church and state. Even if the Supreme Court rules to the contrary, this will not necessarily be a major blow to voucher proponents. The CSPP Proposal seems able to deal with the objections we have examined.

There are reasons to believe that education vouchers can achieve the goals claimed for them. These reasons do not constitute a guarantee. The remainder of this paper will examine the Alum Rock pilot project to determine to what extent,

if any, the realities of educational practice are bearing out the expectations of educational theory.

## Section 5

## Summary

The material in this Chapter is sufficiently varied to warrant the inclusion of a summary.

Friedman has argued that the state is justified in subsidizing general education for citizenship but not in managing it. Against this position Lutz and Megel and Bhaerman have disputed the benefits of the competition which will result from withdrawal of state support for the public schools. We have seen that their arguments have not been borne out by the history of free markets.

Ginzberg's objection that Friedman's plan will not decrease inequalities among rich and poor school districts is valid, but is also academic in light of the fact that the Supreme Court has ruled that such inequalities are permissible.

Carr and Hayward have two objections to Friedman's plan. They dispute the distinction between general education for citizenship and vocational or professional education. They also claim that Friedman vouchers will tend to augment racial segregation.

Their first objection appears to be valid. However, the view that no proper distinction can be drawn between the two types of education is completely consistent with the view that

governments should subsidize but not manage education.

Their second objection seems stronger. Friedman's plan seems capable of creating economic segregation which may be the same as creating racial segregation, at least in many urban areas.

Friedman's claim that inexpensive quality education will become available in ghettoes is disputed by Ginzberg. If valid, Ginzberg's claim and Carr and Hayward's second claim constitute a strong objection to the advisability of implementing the Friedman Proposal.

The most telling points in this debate are made by Levin, who rejects Friedman vouchers in favor of a controlled marketplace. He notes that the marketing procedures and patterns of other goods and services have not brought quality products to the ghettoes. He doubts that education of any quality will suddenly spring up and notes the experience of Prince Edward County, Virginia as a precedent.

While these hoped-for positive results of Friedman's plan will be a long time developing, Levin argues that the expected negative results would develop rapidly. He expects, as does Friedman, that educational services will be bid away from the poor.

Levin also argues that capital expenditure in ghettoes will be more effective, since the outcome per dollar spent should be greater. Difficulties with transportation costs and with

with decision making by the unsophisticated poor are still other problems.

Levin's arguments strongly suggest that an unregulated educational marketplace can create great disadvantages for those who can bear them least well. However, the essence of Friedman's position -- that the government has no business in the management of the education of its citizens -- can survive intact in a regulated educational marketplace. At the same time, the harsh edges of Friedman's laissez-faire doctrine can be blunted.

The CSPP Proposal is an attempt to build a model of such a regulated plan. Characterising public education as a monopoly, the authors of the report ask if this monopoly can be justified by any of the three arguments used to justify the existence of monopolies in other fields.

The first argument is that the monopoly is technologically inefficient. While this may have been true of rural communities which could only support one school, the authors reject its application to tightly packed urban areas where it may well be more effective to have many schools competing in a given area.

The second defense of monopoly questions the ability of consumers to make intelligent decisions. In expanding the position given by the CSPP, we have noted that the inability of consumers to make intelligent decisions is an argument for regulation and inspection but not for state monopoly. The drug industry was presented as an analog which is regulated but not monopolized.

On further examination, we find that the notion that a person loses his right to decide an important question for himself because he lacks, or even ignores, expert opinion is antithetical to principles of a free society. People may often choose their houses, their cars, occupations, and spouses badly, yet they are not assigned houses, cars, occupations, and spouses in the way in which they are assigned to public schools.

The conclusion of this discussion was that education should be maintained as a state monopoly only if there is some compelling feature which distinguishes it from the cases described. There does not appear to be any such feature and therefore no reason for granting an exemption from the rigors of competition to public education.

The third argument in favor of maintaining a monopoly is that the attempt by some individuals to maximize benefits for themselves will adversely affect the public good. The CSPP report accepts this argument, but claims that it tends to support not monopoly but regulation. On this basis, the argument is more properly directed against the Friedman Proposal.

Other, less fundamental, objections were examined. Shanker claimed that voucher experiments are irreversible and that once an experiment begins, there will be no way to prevent its spread, even if, as he believes, the experiment is unsuccessful. This argument is rejected more or less out of hand. Other union officials have claimed that vouchers will cause funds to flow

away from the public schools. However, it seems clear that if public schools are performing well, there ought to be no fear for their future under competition. On the other hand, if they aren't doing well, competition may be of some benefit to the clients, if not to the schools.

The question as to whether voucher programs which include parochial schools run afoul of the First Amendment was discussed. A number of court decisions were presented to illustrate both sides of the question. A judgement on this issue must be held in abeyance since the various decisions can be explained on principles too narrow to be of use in a discussion of vouchers.

The critical question seems to be whether voucher funds when they pass from parents to schools are public monies or private. An analogy is drawn to the use of funds made under the GI Bill where they are treated as private funds and can be used in financing parochial education. No doubt other analogies could be drawn to indicate that the funds are still public. Until there is a more definite ruling in the courts on this matter, the issue cannot be settled on a reasonable basis.

A final issue is the use of vouchers for furthering racial segregation in schools. An examination of the elements of the CSPP Proposal designed to eliminate such possibilities indicated thay they are adequate to their task.

Having summarized the discussion in this Chapter, we turn to an examination of the field study and its findings.

# C H A P T E R III

## METHODOLOGY OF THE FIELD STUDY

The objectives of the field study are the following:

1. A comparison of operational and administrative procedures employed by the pilot project with project specifications presented by CSPP to the OEO at the beginning of the project's planning stage.

2. Through interviews, an examination of attitudes of project participants to determine in what way the theoretical issues discussed in Chapters I and II have been translated to the realities of the pilot project.

3. An assessment of the status of the following issues:

a. Have families demonstrated a capacity to make educational choices on a rational basis?

b. Has the existence of competition created greater diversity in the schools?

c. Have the roles of teachers and principals been changed as a result of participation in the pilot project and if so, how?

Fulfillment of these objectives will be met in the following ways. (The objectives are repeated for convenience.)

Objective 1. A comparison of operational and administrative procedures employed by the pilot project with project specifications presented by CSPP to the OEO at the beginning

of the project's planning stage.

Procedure: The project director will be interviewed and will be questioned concerning the comparison. The CSPP presented twelve specifications. Each one will form the basis of a question or series of questions until a determination can be made as to the project's fulfillment of that specification. (The twelve specifications with accompanying rationale are printed below for reference.)

1. The pilot project should remain in operation for five to eight years before expanding the program.

Rationale: The project should not be expanded if there are any major flaws in it. A complete evaluation which can include assessments of the project's impact upon development of equal educational opportunity cannot be prepared on an accurate basis before five year's time.

2. Before beginning the project there should be a year long planning period.

Rationale: Many technical difficulties are to be expected. These include use and scheduling of busses, preparation of teachers, development of information services for parents, and the like. The project should not begin until all such technical problems can be met.

3. The population of the area should be heterogeneous.

Rationale: One expected effect of vouchers is an increase in integration of various racial and ethnic groups.

If the project area contains many such groups it will be possible to assess the impact of vouchers upon their integration or segregation as it develops.

4. The area in each project should include only one municipality.

Rationale: Political factors are likely to be strong in any voucher experiment. If more than one municipality is involved, these factors may become more important than the basic educational issues involved. In addition, evaluation of each municipality's development will become impossibly complicated if both are involved in the same project.

5. There should be local private schools willing to participate in the program.

Rationale: One of the purposes of the experiment is to offer many alternatives to parents in an effort to create a regulated free market. If only public schools participate, many educationally interesting choices will be lost to parents. What happens in such a foreshortened market place may not be as significant as it might be.

6. The program should extend through grade six, but not above.

Rationale: For reasons of purity of experimental design, the effects of vouchers should be evaluated for elementary education before a project is begun at the secondary level. Once conclusions can be drawn about the initial experiment,

it can be extended to other educational levels.

7. All children of appropriate age should be eligible to participate in the program.

Rationale: Results may be distorted if certain segments of the school population are not permitted to participate. Since the objective of the experiment is to simulate free market conditions, all eligible students must be permitted to participate.

8. Schools should be permitted to fill a limited number of places any way they like, but must not discriminate in doing so.

Rationale: Aside from reasons presented in Chapter II (see pp. 46-7, 62), this provision also helps to equalize the differing admission procedures of public schools, which have none, and private schools, which are often quite selective. The public school is given some of the autonomy of the private school, while it in turn loses some of its flexibility through the following provision.

9. Schools should be required to fill one-half their places by lottery.

Rationale: This provision complements specification 8. It also helps to insure that racial or ethnic discrimination cannot occur.

10. There should be no arbitrary expulsions.

Rationale: This provision prevents the possibility that schools will admit students only for the value of their vouchers and then expel them for spurious reasons.

11. There should be an Education Voucher Authority (EVA) to administer the program.

Rationale: The reasons for this provision are presented on pp. 46-8.

12. EVA should collect and distribute information about schools as necessary.

Rationale: This provision is designed to help parents make rational choices among the schools and programs available.

Objective 2. Through interviews, an examination of attitudes of project participants to determine in what way the theoretical issues discussed in Chapters I and II have been translated by the realities of the pilot project.

Procedure: There are two groups with whose theoretical views we will be concerned. The first is the administrative staff of the project. The second is the staff of the local California Teachers' Association.

The first part of the interview with the administrative staff, particularly the project director, will be taken up with fulfillment of Objective 1. Should it happen that the project does not meet some specifications, the next set of questions will deal with the significance of this fact. A third set of questions will attempt to determine the director's

views and the views of his staff concerning the impact of the project on the educational enterprise in the community. Some of this discussion will involve fulfillment of Objective 3 (see below). Much of this section will consist of presenting to interviewees objections discussed in Chapters I and II and practical arguments gathered from other project participants. It is assumed that the project staff will think the project a good one and objections will be used to determine their reasons for thinking so.

The second group to be interviewed in fulfillment of Objective 2 are the appropriate members of the Mount Hamilton (San Jose) Council of the California Teachers' Association. It is assumed that these individuals will have reservations concerning voucher programs. Using the method just outlined, we will attempt to discover what these objections are and the basis on which they were developed.

The views of two important groups, namely school board members and parents, will not be dealt with in these pages and this absence should be explained. The district administration, both school board and superintendent, have made a decided effort to disassociate themselves from the project. Control was given to the Sequoia Foundation so that failure, if it occured, could not be laid at the district administration's door. Since they were not involved in the project, these individuals were not contacted. On the other hand, some parents were interviewed,

but their oral responses proved uninteresting. The Rand Corporation used written instruments to interview parents. Since this work was already underway, and since the author lacked the resources for conducting a similar survey, reports on parents were left out of the report. The Rand Corporation's findings will be presented in Chapter IV.

The following is a brief rationale for the method of conducting interviews used in this study. If the project actually resembles the CSPP Proposal, we can expect that some of the theoretical issues discussed in Chapter II to have become practical issues. If the project is quite different, the issues will be, too. By examining the changes in issues, some notion of the status of vouchers in Alum Rock can be determined.

Objective 3a. Determine whether families have demonstrated a capacity for making educational choices on a rational basis.

Procedure: We will determine how many parents are sending their children to schools other than their neighborhood school. In addition, we will determine how many families with more than one child are sending their children to more than one school. Both these factors are indicative of the existence of decision making but are hardly conclusive. The opinions of those who advise parents and the opinions of teachers and principals will be sought to amplify the factual information.

Objective 3b. Determine whether the existence of com-

petition has created greater diversity in participating schools.

Procedure: A numerical comparison of the numbers and types of programs existing before and after introduction of vouchers will be made.

Objective 3c. Determine how, if at all, the roles of principals and teachers have changed as a result of participation in the program.

Procedure: Principals and teachers will be interviewed. Teachers will be questioned concerning changes they perceive in their own jobs. Three areas will be focused upon. First, relations with fellow teachers will be examined. Teachers will be asked to comment upon effects of competition on this aspect of their professional life. Second, teachers will be asked to comment on the effect, if any, vouchers have had upon their conduct of their classroom. We will want to find out if they feel freer to create, or less free; if their instructional acumen has been increased or decreased; and if they prefer or do not prefer being part of a competitive system. Finally, teachers will be asked to comment upon their role in school affairs. We will want to know if they are taking a greater role in management of school business.

Principals will be questioned about the same aspects of teachers' roles in order to determine if there is any disparity of views between the views of the two groups. Prin-

cipals will be asked about changes in their own role as well. We will want to know how their style of management has changed, if at all. We will want to know whether their functions have changed. For example, do they spend more or less time acting as disciplinarians? Do they spend more or less time on in-service supervision? Must they attend more administrative meetings with their staff or are there fewer? Have vouchers resulted in a great deal more paperwork? Finally, principals will be asked their view of the voucher project.

Interviews will all be taperecorded and transcribed to typescript. Transcription will occur on the same day as recording in order to allow re-use of a limited supply of tapes. In discussion of Objectives 1 and 2 in the next chapter, edited portions of interviews will be presented to illustrate points to be made. A commentary, tying discussion concerning issues examined, will be inserted into the transcript of the conversations at appropriate points in discussion of Objective 2.

Interviews with principals and teachers will be summarized but not reproduced. The same is true of interviews with any other school personnel.

Chapter IV will discuss the field study in terms of the objectives laid down in this chapter. Chapter V will make comments of a more general nature.

# CHAPTER IV

## THE FIELD STUDY

The field study was conducted in August and September of 1973 in the Alum Rock Union School District, San Jose, California. At that time the experimental voucher project had completed its first year of operation and was preparing for its second. Dr. Joel Levin is the director of the project and is the source for the following background information.

The Alum Rock district is in a low-income area a few miles south and east of the central area of San Jose. There are some 30,000 residents in the district of whom 18,000 are school-aged children. The average family in Alum Rock has six children.

The population of the district is 50% Mexican-American, 40% white, and 10% black. While these figures would be unusual for most parts of the country, they are not in San Jose, which is the second largest Mexican-American community in the United States.

There are twenty-four schools in the district. During the first year of operation, 1972-3, six schools participated in the project. Seven schools were added in the 1973-4 school year for a total of thirteen. As a result, slightly more than half the students in the district participated in the project during the year following the field study.

The operation of the voucher program is fairly simple and straightforward. In March of each year, parents are sent information concerning the available programs, instructions on how to use the sign-up forms provided, and a description of vouchers and their purpose. The materials sent are all bilingual.

The material emphasizes to parents that they may choose any school listed and points out to parents the fact that their control over their childrens' education is increased by this procedure.

Parents then proceed to review the material describing the various programs offered. There were 42 such programs in 1973-4. Since the number of programs is large enough to cause confusion even to the most sophisticated reader, the programs are conveniently grouped into nine categories: Traditional, Innovative, Gifted, Fine Arts, Learning by Doing, Individualized Learning, Multi-Cultural, Kindergarten, Bilingual.

A parent who wished to do no more could simply select a category and find the nearest school offering such a program. In order to help parents become more selective than that, counselors who are themselves parents may assist parents in making choices.

Once a choice has been made, a parent then fills out a card indicating first, second, and third choices. Once squatters are assigned their places -- squatters are students who attended a given school during the last year, or the younger sibling of

such a student -- requests are filled. If there are not enough vacancies, schools may elect to expand their capacity. Failing that a lottery is held and the losers move to their second choice.

Schools decide to enter the program through a vote of their faculties. Once a school has decided to enter the program, it is free to form itself into semi-autonomous mini-schools. The programs developed by the mini-schools are reported to the Educational Voucher Advisor Council (EVAC) which performs some of the functions of the EVA described in Chapter II. The EVAC then presents the information to parents. Its other functions will be described shortly.

When a student is sent to a participating school, he brings with him a voucher whose value is added to the school's operating budget. In grades Kindergarten through six vouchers were valued at $840 in 1972-3. The value for grades seven and eight was $1,046.90. If a student qualifies for free lunch, he also qualifies for a compensatory voucher, and brings with him an additional $275.

It should be noted here that these vouchers represent a significant departure from both the Friedman and the CSPP Proposals. In both plans, the value of a voucher was to be determined by distributing to each family a certain share of the amount needed to educate the community. The fund which is divided to produce vouchers in Alum Rock comes from a grant of the federal government.

When a school decides to enter the voucher experiment,

it is electing to receive additional funds from the federal government in the form of education vouchers. This fact represents a crucial difference between voucher models and the realities of voucher operation. A discussion of the distortions produced by this means of financing is found in the next chapter.

This difference is not the only one between the CSPP specifications and actual voucher operations. The first objective of the field study is a determination of these differences. During the discussion, objectives will be repeated for convenience.

Objective 1. A comparison of operational and administrative procedures employed by the pilot project with project specifications presented by CSPP to the OEO at the beginning of the project's planning stage.

The twelve specifications are repeated and are followed by appropriate comments. Joel Levin is again the source for this information.

1. The pilot project should remain in operation for five to eight years before expanding the program.

The project has expanded its operation within the host district and plans to continue its expansion to include all schools in the district. Dr. Levin justifies this expansion on two grounds. First, the intention of this specification was the prevention of exportation of the project to

other districts before it has been completely evaluated. The current expansion is taking place entirely within the initial district. Second, this expansion is consistent with specification 7 which requires all children in the district to be eligible for participation in the project.

2. Before beginning the project there should be a year long planning period.

The required planning was performed. Details of operation and the responsibilities of the EVAC were planned. The program was explained to school faculties who then determined whether or not they wished to participate. Schools which decided to participate planned their mini-school operations and planned their budgets around the increased incomes provided by vouchers.

3. The population of the area should be heterogeneous.

There are three racial and ethnic groups heavily represented in Alum Rock. The figures on page 65 do not include small numbers of Orientals and Phillippinos. The district appears to meet the CSPP standards of racial and ethnic heterogeneity.

From the standpoint of economic heterogeneity, the district is less qualified. The area is uniformly low-income. Literally no middle class housing exists in the area. On the other hand, it is far from being a ghetto. Practically the

entire working population consists of unskilled laborers. Dr. Levin's records indicate that none of the teachers in the district resides there.

In an economically heterogeneous community it would be possible to discover if the use of education vouchers has any affect upon educational equality. The Alum Rock project will not lead to such discoveries. The fact that vouchers are being used in a low-income area has had a great deal to do with the attitudes of participants towards the project. This matter will be discussed in detail in following sections.

4. The area in each project should include only one municipality.

Of course, the project includes less than one municipality. However, it is not unusual in California for a community to have more than one school district. This is particularly true in areas near secondary urban centers. For educational purposes, Alum Rock is a community. The project in fact includes only one such community.

5. There should be local private schools willing to participate in the program.

There is at least one private school willing to participate in the program. It has not been permitted to do so. The local chapter of the California Teachers' Association has indicated that it will withdraw its support from the program

if any non-public schools are given voucher funds. Dr. Levin is convinced that the project cannot survive without support of the local union. As a result, there are no private schools participating in the program and no prospects that any will be permitted to do so.

Of course, this is a strong divergence from the original design of the CSPP Proposal. Every voucher proposal made to date has assumed that public schools will be in competition with private ones. Failure of this specification is the most crucial difference between the CSPP Proposal and the actual voucher project.

6. The program should extend through grade six, but not above.

The project does not meet this specification. One middle school is participating. Plans exist for including a senior high school in coming years.

7. All children of appropriate age should be eligible to participate in theprogram.

At the beginning of the 1973-4 school year, slightly more than half the children in Alum Rock were eligible to participate in the program. A child becomes elgible when his neighborhood school votes in favor of participation. If it does, the child may then be sent to any voucher school his parents choose. If his neighborhood school does not choose

to participate in the program, then the child must continue to attend that school. As a result, the project does not meet this specification.

8. Schools must be permitted to fill a limited number of places any way they like, but must not discriminate in doing so.

9. Schools are required to fill one-half their places by lottery.

These specifications will be considered jointly since they are closely related. The placement procedure in Alum Rock is as follows.

In May, parents make applications to the EVAC. The application indicates which school they wish their children to attend, which mini-school within the school, and the number of the mini-school. Three choices can be made and the order of preference indicated.

A family is said to have squatter's rights at the school it attended before joining the voucher project. Any child who attends that school is a squatter and so are all his younger siblings. If a squatter chooses to attend the school he is currently attending, he must be allowed to do so.

Applications are received at the EVAC's offices and results are tabulated. If no school is overenrolled, then everyone may attend his first choice school. An announcement

is made concerning the number of vacancies in each program to facilitate last minute changes.

If some schools are overenrolled, the following procedure goes into effect. All squatters are placed in their current schools if they wish to be placed there. (If a squatter does not exercise his right, he cannot reclaim it later.) The number of vacancies to be filled by non-squatters is determined. Non-squatters are chosen randomly by grade and program until all vacancies in a given building are filled.

Remaining applicants are placed in their second choice program if their first choice is closed. If the second choice is also overenrolled, another lottery is held and losers are placed in their third choice.

If a school is overenrolled, the foregoing procedure can sometimes be eliminated if the faculty so choose. They may elect to increase the number of students they will allow in the school. They may go farther and choose to accept everyone who applies to them.

If a school chooses this option, it is supplied with additional space. It may receive portable classrooms or space in the building of another school which is underenrolled.

In this way, the Alum Rock district has avoided racial and ethnic segregation. This is largely due to the fact that the schools were well integrated before the voucher project

began. Even if all squatters were to exercise their rights, the schools would be integrated.

While the procedures used have had no adverse effects in Alum Rock, they may set a dangerous precedent. In a community in which whites and blacks are geographically segregated, the granting of squatters' rights could result in maintaining a racially segregated school system. Suppose that a large number of black parents decide that schools in white neighborhoods are superior to their own. They elect to send their children to them but find that all places are filled by squatters. The faculty, perhaps influenced by parents, chooses not to expand its facilities to include any more applicants.

This set of events is not at all unlikely. The CSPP Proposal contained provisions which would have prevented any such occurences. Since the proposal grants no special rights to children attending neighborhood schools, all applicants are placed on an equal footing. Since schools are prohibited from practicing discrimination, the hypothetical set of events presented could not occur. The Alum Rock procedures represent another divergence from the CSPP plan.

10. There should be no arbitrary expulsions.

Expulsions are dealt with uniformly through a district code.

11. There should be an EVA to oversee the program.

The Alum Rock EVAC is not autonomous in the way the CSPP intended its EVA to be. Its capacity is strictly advisory. Control of the program remains with the district superintendant.

The EVAC has no authority over participating schools. The EVA could refuse to cash vouchers of schools failing to observe all rules of the program. The EVAC has no such power. The regulatory functions which the EVA was designed to perform remain in the hands of the public schools.

12. The EVA should collect and distribute information about schools as necessary.

Along with its co-ordination of student placements, this is one of the EVAC's two major tasks. It publishes a pamphlet, printed in both Spanish and English, explaining to parents how the voucher program operates. Another bilingual pamphlet contains descriptions of programs of the various mini-schools.

EVAC is responsible for hiring paraprofessionals whose function is to advise parents on their educational options. These counselors are themselves parents in the district. They are prohibited from making recommendations but may amplify the printed descriptions of schools in order to aid parents in their decisions. (Some counselors admit to making recommendations to friends or to parents who ask for one.)

The objective of the foregoing analysis is a comparison of the operations of the project with the specifications of the CSPP. The project meets specifications 1, 2, 4, 10, and 12. There is no plan to expand the project beyond Alum Rock in the foreseeable future. There was a year long planning period. The area includes only one municipality. There are no arbitrary expulsions. The EVAC collects and distributes pertinent information to parents.

The project meets specification 3 in one respect and fails to in another. The area is racially and ethnically heterogeneous. However, it is economically thoroughly homogenous.

The project fails to meet specifications 5, 6, 7, 8, 9, and 11. No private schools are permitted to take part in the program. The program extends beyond grade six. All children of appropriate age are not eligible to participate. The CSPP guidelines on admission policies are not met. The EVAC has a much weaker role than was projected for the EVA.

A discussion of the significance of this comparison will be deferred to the next chapter. For now, we note that the specifications which the project fails to meet seem on the most part to be more important than those it meets. Questions of which schools and which students may participate and the process by which they select each other seem vital to the CSPP voucher plan. They are precisely the questions on

which the differences between theory and practice are most outstanding.

The second objective of the field study was an examination of the attitudes of certain project participants. The technique used was one involving questions of theoretical import. Responses were recorded and transcribed.

Four interviews were conducted. The first two involved members of the project's administrative staff. These were Dr. Levin, Project Director, and Mr. Sanchez, Co-ordinator of parent information services. The second two interviews involved representatives of the local council of the CTA. The first of these interviews was with Mr. James Essaman, Executive Director of the Mount Hamilton Council of the CTA. The second was a joint interview with Mr. Luke Levers, President of the Alum Rock Educators' Association and with Mr. Leroy Wiens, Chairman of the Certified Employees' Council. The Alum Rock Educators' Association is one of six such associations making up the Mount Hamilton Council. The Certified Employees' Council is the negotiating arm of the Alum Rock Educators' Association and also acts on behalf of the local American Education Research Council, the American Federation of Teachers, the Alum Rock Administrators' Association, and the Association of Special Services Employees.

The format for the presentation of edited transcripts

is as follows. Questions will be printed as they were asked. The interviewee's response will follow preceded by his initial and a colon. In the course of the presentation, it will be appropriate to insert comments designed to key the examination to issues of theoretical import. Such comments will be set off from the main body of the transcripts by asterisks.

Interview with Dr. Levin. Has the project lived up to your expectations?

L: Yes.

What makes you say so?

L: There's a whole array of facts to indicate the project is working. The creation of significant alternative forms of education is a fact. The use of options by parents is a fact. Those were the purposes of the program and this is what is actually happening.

Isn't there more to it than that? Isn't part of the idea to test the performance of public schools against parochial and private alternatives?

L: I don't know how important a part that plays, really. I'm of the opinion that using parochial schools would be unconstitutional.

I think that's an open question. What about private schools? I understand that some teachers wanted to open a free school here but it was opposed.

L: It's possible that in a few years when people are less threatened than they are now, we can do this. We are still negotiating about it.

Some of your critics in the district say that this is just an attempt to keep the word "voucher" alive, that this isn't really a voucher program. What do you say to that?

L: When I hear that, I feel good. It means that we aren't threatening them, that they are going to let us get on with the project.

But wouldn't a real voucher be a threat? Certainly Shanker thinks so. The state CTA thinks so too.

L: What's a real voucher? We've given schools the opportunity to innovate as they want and parents a choice. That's the real purpose of the program and that's what we've done.

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This last statement represents a major shift in position from original writings on the subject. A number of writers discussed in Chapter II, notably Jencks (1966), Clark (1969), and Levin (1968), argued that vouchers were a form of demonopolizing education. The intention of such a system would be to force public schools to create options and to compete with fresh ideas from non-public sources. Jencks (1966) indicates that in a true voucher system, the notion of public and non-public schools as different kinds of educational entities

breaks down altogether.

During the initial planning stage of the project, the Mount Hamilton CTA quickly indicated that there was no possibility of support from teachers unless competition were limited to the public schools. The project's proponents shifted their thinking away from the idea of competition among all interested schools and settled for competition among public schools alone.

The CTA rightfully labels a voucher program which includes competition from non-public schools a "real" voucher program since that is the only kind of program which they had any reason to believe was being planned. No writer on the subject has discussed a voucher model which does not include non-public schools.

Once it was agreed that vouchers could not be used to threaten the position of the public schools, what was left of the program served to benefit teachers. Such benefits include greater managerial responsibility, greater freedom in choosing and designing programs, and increased funds for purchasing equipment and training.

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If what has been achieved is just that -- more programs and greater parent participation -- couldn't that have been achieved without using vouchers?

L: Maybe it could have, but it wasn't. This district

has been receiving Title I funds for a long time and they come to much more than the money allocated to the voucher program. But the much smaller voucher investment has produced much more change. There are more programs, more teachers involved in management, more parent participation and all this is the result of vouchers.

***

Several more questions were asked on this topic. The answers did not progress beyond the one given. It does not seem satisfactory.

Everyone in the district seems to agree that parents are more involved in the schools than they were. The proliferation of program alternatives is a fact. However, Alum Rock has a history of strong parent involvement. Its teachers have been yearning to innovate for years, according to their own reports. Lack of money has been one of the chief stumbling blocks.

The voucher program did bring funds into the district. It is clear that those funds have made a difference. What is not clear is the necessity of labelling those funds "education vouchers" in order to achieve the result obtained.

***

I want to ask you some questions about the differences between your program and the CSPP Proposal. Why did you add

squatters' rights.

L: Basically, we did that because we had too. Parents were upset thinking that they might not be able to go to their neighborhood schools.

To the extent that you are a model for future voucher programs, isn't this a dangerous precedent? In an already segregated district, couldn't this serve to keep segregation in existence?

L: We've found that even when people have squatters' rights they don't always use them. But other districts will have to make these arrangements based on local conditions.

Another precedent that seems dangerous to me is tying the EVAC to the Superintendent. Once you bring in non-public schools, if that happens, won't the EVAC have to become independant?

L: Not necessarily. The CTA position is that those schools must meet the same standards as the public schools.

Will that affect the willingness of private schools to enter the program?

L: That's something we don't know at this point. It's too early to tell what will happen.

***

The interview with Dr. Levin was considerably longer than the section presented here. A major portion of the results of the interview have been presented in the discussion of

our first objective (pp. 81-90) and in the presentation of background material ( pp. 78-81). Additional references to the interview will be made in discussing objectives 3a and 3b. As with all other interviews presented and discussed in this chapter, a general discussion will be deferred until Chapter V.

Interview with Mr. Sanchez. Transcripts of this interview will not be presented since its relevance to the issues with which the field study was concerned is limited. However, Mr. Sanchez' views will be summarized briefly since they offer additional insights into the nature of the focus of the Alum Rock project.

Mr. Sanchez' job is the collection of information concerning schools and programs and its distribution to parents. The project employs a number of parents as advisors to other parents in the district. They serve to interpret printed information and to aid parents in their educational choices. Mr. Sanchez is the supervisor of these counselors.

He views the goals of the voucher project as a means of radicalizing parents in the district. The effects of voucher participation upon educational quality are secondary in his view to the effects upon parents.

His attitude may be legitimate. It is certainly at cross-purposes to the goals of the CSPP Proposal. In that

proposal, the primary goal is the invigoration of public education through the use of competition. A result of the fulfillment of that goal may be greater parental power over education. Other expected by-products include greater equality of educational opportunity, greater racial and ethnic integration, and an increased acceptance of educational experimentation.

To choose any of these secondary goals as the primary focus of the project is bound to produce distortions in the program. Such distortions have in fact occured.

The schools have not been satisfied with the performance of the parent counselors. They have demanded a change in the orientation of the counselors' role. Beginning with the 1973-4 school year, counselors were assigned to individual schools rather than to Mr. Sanchez' office. Principals expect counselors in the future to act in some ways as agents of the schools to which they are assigned. They will present information concerning a particular program within the school to parents who request it, but may not present information about programs in any other school.

Reaction to Mr. Sanchez' approach to parent information services has resulted in a limitation of the functions of the EVAC. It appears that information will not flow quite as freely as it once did. This is an unfortunate result which ought to be noted in plans for future voucher programs.

Interview with Mr. Essaman. I'm assuming that because you represent the CTA you're against vouchers. Is that a reasonable assumption?

E: That depends on what you mean by vouchers. What we have here isn't a voucher at all.

What do you mean by a voucher?

E: This program has only public schools. When the legislature first considered the bill, they were talking about allowing any certified school to participate. This is just a way of pumping money into low income areas. It's also kept the word "voucher" alive for another try.

How would you feel about a real voucher program?

E: We'll fight it.

That seems paradoxical. You don't like this program because it doesn't allow private schools, but if it did you still wouldn't like it. Maybe you wouldn't like it even more.

E: What I'm saying is don't even call this a voucher since it isn't. We defeated vouchers in the legislature, so they changed the idea to make it acceptable and called it by the same name.

In your opinion, how much does this program resemble the original idea?

E: The only thing left is that parents can send their kids to any school they want. The whole thing is so unimportant that the state CTA council hasn't taken a position on it.

They don't care about it at all?

E: They have dropped it from the list of situations they watch.

But if a private school tried to apply for voucher funds?

E: They would be against it and so would we. There would be wild opposition.

How do you feel the program is working?

E: Parents don't know what to do. A lot of them take a shotgun approach and send each kid to a different school and see what happens. A lot of people are leaving their neighborhood schools this year but I don't think they knew what they were doing. Someone who doesn't know what he's doing is not going to be able to pick a successful teacher.

One of the arguments for vouchers is that parents are in a good position to choose for their kids because they know them best.

E: I'm not sure they do know best. Parents know what clothes their kids like, but they can't make medical decisions for their kids.

They choose the doctor.

E: But we're talking about choosing a program, not an individual.

***

This argument from parental incompetence has already

been discussed (see pp. 49-52). Mr. Essaman's point would be a good one if his analogy were valid. We do not allow parents to prescribe medication and treatment for their children (beyond a certain point) because there exists a body of expert opinion concerning medical matters. Since medical practitioners do know better than parents how to treat illness, their opinion is given great weight.

There is no analogous body of expert opinion in education. No clearer case could be made for this statement than to point to the way in which children actually are placed in schools. Children are placed in their neighborhood school because it is their neighborhood school. That is the reason. Alternatively, they are placed in a non-neighborhood school in order to achieve a desired racial balance.

Presumably, if a more expert means of placing children in school were in our possession, we would use it. The fact that we do things the way we do is the strongest reason for supposing that we lack the means to do it any better.

Therefore, the analogy between education and medicine is faulty. "If parents are incompetent, they must not be allowed to make educational choices" is not a proven statement. And, of course, parents may sometimes be competent to make the requisite decisions.

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How are teachers being affected by the program?

E: Some teachers resent having to compete. They're a minority. A number of teachers have advertised.

I've heard about a matchbook cover ad for a program. Did that really happen?

E: No comment.

Which school was it?

E: No comment.

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A few teachers mentioned that such advertising had been used but would not say where or when. No one else in the district was willing to talk about it.

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How else are teachers being affected?

E: Teachers who like the program like it for the money. Vouchers have moved a lot of federal money into Alum Rock. They also get a lot more freedom, more responsibility in managing school affairs -- things we've been pushing for for years.

How would you change the program?

E: We need to make changes in the district contract to protect teachers who may get left out by vouchers. If there is no spot for a teacher who wants out of a voucher school, we want that teacher to be paid anyway. That needs to be cleared up in our next contract meeting.

***

Mr. Essaman was the strongest local critic of the pro-

gram encountered in the course of the field study. The interview with him was unsatisfying since it did not reveal to any appreciable extent the way in which theoretical issues are being dealt with in the pragmatic realm. No doubt this is partly due to the fact that Mr. Essaman does not agree that a voucher program is in operation in Alum Rock.

His view is that the project is keeping the issue alive while pouring large quantities of money into classrooms. His concern is that the money pours in without adversely affecting the rights of teachers.

His final statement indicates that vouchers may become even less threatening to educational monopolists than they were at the time of the study. If teachers can choose not to compete without penalty of any kind, it is clear that many of the weakest ones will elect to remain out of the program entirely. Since one of the supposed benefits of competition is the fact that it weeds out the poorest choices, such action would be a blow to efforts to implement the CSPP Proposal more fully.

In the following interview with Mr. Levers and Mr. Wiens, the conversation tended to touch on issues of more basic concern. While their stand is much less extreme than Mr. Essaman's, it is nevertheless quite firm on a number of crucial points.

Interview with Mr. Levers and Mr. Wiens. Why have the Alum Rock teachers agreed to participate in a voucher program?

W: The teachers in Alum Rock agreed to give their blessing on a voluntary basis to the program. Then the CTA gave its blessing by not opposing the program. By the way, the NEA and the AFT are still opposed.

Why?

W: What they oppose is the use of federal funds in support of private schools. They were ready to drop their opposition and take a neutral stand until the New Hampshire idea came up. Then they went back. Now they're fighting anything with the word "voucher" in it.

***

The reference to New Hampshire concerns attempts by the National Institute on Education to implement in New Hampshire a voucher program in which private schools would be permitted to participate. The program is generally thought of as an outgrowth of the Friedman Proposal, but is actually much closer in spirit to the Egalitarian Model (see p. 13). The program will be discussed briefly in Chapter V.

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What are your own feelings about vouchers?

L: Vouchers have really changed things for the better

in Alum Rock. Parents are more involved, teachers can be more creative in their planning and teaching, and they can take more control of school management. Still, this is only a first step. We've only begun to be involved with vouchers. We just don't know what will happen in four or five years if the program continues. There are new developments which we can't imagine. And you can't predict what will happen when you transfer these ideas to another district.

One thing that appeals to me about vouchers is that they make job security for teachers contingent upon performance. Why should anyone, including the NEA and the AFT, oppose such a sensible idea?

L: Those provisions are totally unnecessary. The incompetent teachers are already dealt with in state law. There are well defined procedures for removing an incompetent teacher. We're not against removing incompetent individuals from classrooms. We'd like to see these people removed. But it isn't our job to do it. It's up to the principals, and they haven't been using their power in this area.

W: This is a good point. Administrators don't make use of their options in this area. Most of them lack the courage to charge a teacher with incompetence and then carry through with hearings. There is no reason for there being an incompetent teacher in any classroom in this state. You don't

need vouchers to solve this problem.

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Of course, the point can be made that vouchers are needed to solve this problem since the available remedies are not being used.

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W (cont.): This brings up something else that bothers me about vouchers. There is no provision being made for teachers who don't want to participate in the program. Last year there were only six schools participating. This year there will be thirteen. Next year I imagine there will be more. The people who don't want to be in the program are going to be gradually squeezed out, and we are going to have to do something to help those people.

Why should anyone be exempted from the rigors of the marketplace? To refuse to compete sounds almost like an admission of incompetence.

L: That isn't so because we are moving into a period of fairly strong standards for tenure and performance. Under the Stahl Bill ( a statewide evaluative system) there are specific rules on when tenure is terminated. The school board along with the CTA draws up a list of particulars. An evaluator decides if the teacher has met the standards for the grade level. If the evaluator does his job, there's no pro-

blem. Either the teacher did a job or didn't. But with vouchers you take away the evaluator and leave the decision in the hands of the mini-schools. That is no legal policy.

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The transcript of this section of the interview could be extended for many pages. The discussion soon bogged down into a repetition of the interviewees' claim.

It is not at all clear that the appeal to pre-existing legal standards argues against the advantages of free market competition. The two can be made to complement each other. Consideration of the analogous case of the grading of apples, an example well worked by some Oxford philosophers, may help to clarify the issue.

The government sets certain standards in the grading of apples. Apples may be graded from Grade A Fancy down to Utility. Definite standards to be used in grading are published by the Department of Agriculture and it is possible for an individual to become a competent grader of apples in a relatively short period of time.

Once an objective judgement has been made concerning an apple's grade, it is still possible for an efficient market to make finer distinctions among the members of any one grade. As a result, some apples will be more apt to be chosen than others, and some will not be chosen at all.

Government standards will prevent a rotten apple or one which is badly spotted or too small from becoming a Grade A apple. Such standards will not insure that all apples of a given grade are equal in every respect. There are still decisions for the consumer of apples to make.

Similarly, state standards, properly applied, which they are not, will eliminate incompetence from the educational marketplace. But competence does not entail excellence. There is still room for decision on the part of the consumer of education.

Pre-existing legal standards help to make decisions easier for consumers of apples and of education in two ways. They make a rough categorization prior to the consumer's selection and they eliminate choices which ought not to be accepted anyway. A reliance on an efficient legal standard insures only that bad apples and bad teachers have disappeared from the marketplace. Such reliance does not guarantee that each consumer receives the best apple or teacher he can.

Given a group of teachers, all of them competent, some will tend to be chosen by parents before others for some reason which those doing the choosing think important. It may happen that some teachers will not be chosen even though they are certifiably competent. In this way the marketplace tends to make precisely those distinctions which the consumers of educ-

ation wish to make at any particular time.

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What is the effect of competition on teachers?

L: I don't think there have been any strong effects. If you really want the answer to that, come back and see us in three years. When there are hardly any non-voucher schools left, we'll know more.

But haven't some schools lost enrollment? How do teachers react to that?

L: This has happenned when there has been an exit of teachers and administrators from those schools.

W: We have two concerns in this area. One is that we have locked parents into voucher schools not favorable to vouchers. If you look around, you'll see that there are a small number of voucher schools which have had a difficult adjustment. On the other hand, we have locked parents out of voucher schools when they wanted to get into them. The same thing applies to teachers. A lot of them want either in or out of vouchers and it will take time before it all gets settled.

Do teachers want into voucher schools because of the increased funding?

L: When we took a vote on extending the program in one school, we announced that there was an additional $179,000

in funding available. Only $50,000 of this was from vouchers. They could have had a nice funding even without vouchers, so I don't think it's just the money. The money helps them do a better job. Teachers want to develop programs and improve what they're doing.

W: Another point. CTA has been in favor of developing the autonomy of local schools. Before vouchers, we had the power to create this kind of change but no money to do it with. That explains why teachers are aware of funds. Teachers used to pay out of their own pockets for materials.

Is the administration of the program creating new levels of bureaucracy to deal with?

L: Principals object to any new authority. But Joel's (Dr. Levin's) position is necessary. This year was the first that the legislature voted the school budget within fifteen days of the opening of school, but schools have to have their budgets in by July 1. In that kind of situation you need to have someone who is responsible.

W: I wanted to get back to this business of job security. We didn't mention before that a group of teachers from this district are getting together to develop a new program outside of any existing schools. The OEO is very hesitant about this, but the CTA is all for it.

I thought you said you were against that sort of thing.

W: These teachers are from the district so they're not putting anybody out of a job. And this will be a new school. A traditional private school has so many advantages over a public school in terms of funding from private sources, more money for better materials, buildings, and so on, that there really couldn't be fair competition. But give teachers an equal footing and the public schools will win out every time. Let them both follow the state codes on curriculum and discipline, give them the same rules and rights, the same student policies, and the public schools will win.

So you would want to exclude a Summerhill school or a Montessori school or anything of that type.

W: A Summerhill school couldn't operate within our school board's policies. You'd have to make a special case for them. That's just what we want to avoid. Let them compete on an equal footing and without any unfair advantage, and it will be all right.

As long as they aren't putting CTA teachers out of work.

W; Right.

But that isn't really competition. You want to give the public schools everything and leave to the private schools the leftovers.

W: No. Look, a company in business has a new product.

They don't fire everybody making older products. They expand with the new one. By maintaining the present structure we have an excess of teachers. By expanding our operation we could create a need which couldn't be filled even by the unemployed teachers. For example, we have a teacher of deaf children in this district. We were able to provide more funding for her and now she has a program for siblings of deaf children. With more money you could expand any program. You could extend educational programs to parents. There are so many possibilities that there is no problem in finding avenues for teaching talent. With private school vouchers, if they are competing equally, you are essentially just reinventing the wheel. There is so much work to be done with public funds for public schools that there is no reason to spread the money to private schools.

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This is a restatement of the first argument used to justify the existence of monopolies, the argument from technological inefficiency (see p. 48-49). Competition to public education is characterized as wasteful replication. Of course, if private schools are forced to model themselves after public ones in every important detail, as Wiens insists, then they will be reinventing the wheel.

If parents choose educational programs, there seems

to be no reason why they could not choose among various curricular orientations and various disciplinary styles. Tying the argument from technological inefficiency to a specific set of standards -- in this case the set used by the public schools -- leads instead to the second argument, which states that parents are incompetent to make decisions. Previous comments on that argument can be applied to choices concerning curriculum and discipline (see pp.49-52, 99-100).

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Do you have any final comments to make?

L: Just this. For a program like this to work, the district has to be in a position to take risks. Alum Rock was in a position to take risks. We risked running into trouble with the PTA, the CTA, the Mount Hamilton Council and a couple of other groups. We had to balance the risks of trouble with these groups against the money we would get from the government. The district had to have that money. Taxes are very light; incomes are low. Teachers were defeated by money. They were spending money out of their own pockets. So we chanced it. For a wealthy district, there would be very few risks indeed. But as far as we can tell, our risk taking paid off.

The foregoing transcripts were intended to present as accurately as possible the attitudes of project participants

towards education vouchers. Those attitudes may be summarized briefly as follows. The teachers' representatives are willing to support the program only when it serves the interests of teachers. Absolutely no compromises on this point have been made, and it seems clear that none are forthcoming. Vouchers appear to have brought teachers more money for materials, more freedom in program construction, and more managerial responsibility. (These points will be explored further in discussion of the remaining objectives.) The teachers' representatives have permitted the program to operate to the extent that it has provided them with these benefits.

The project staff, for its part, perceives that education in the district is better than it was before the beginning of the project. They justifiably reason that these benefits are a result of education vouchers. In order to achieve what they have, it has been necessary to sacrifice some of the most important points of the CSPP Proposal. The resulting program is so different from the original intentions that it has been called a counterfeit. The attitude of the voucher project staff is that the sacrifices are justified by the educational results. In short, they are willing to sacrifice the main thrust of the voucher proposal in order to achieve some of the expected side effects.

They have little choice. The program can operate on the terms of the Mount Hamilton CTA or not at all. Even

though the program diverges sharply from the CSPP Proposal, the administrator maintains the attitude that the achievements of the program are due to the use of vouchers. This attitude will be critically examined in Chapter V.

Objective 3a of the field study is an assessment of the demonstrated capacity of families to make educational choices on a rational basis. The discussion of this issue will be brief. Dr. Levin's records indicate that in the 1972-3 school year, only 3% of families in voucher schools chose to send their children outside the neighborhood school. The figures for 1973-4 indicate that nearly 14% were sending their children to non-neighborhood schools. During the 1973-4 school year 38% of families with more than one child were sending their children to at least two schools. Dr. Levin cites these two latter facts as indications of increased parental decision-making.

His opinion and the opinion of the parent counselors interviewed is that parents are trying to make the correct decision for their children. Counselors noted that parents were asking more probing questions and more of them in 1973 than they did in 1972. They felt that many parents were really just beginning to get to know their children. As that process continues, they expect the quality of decision-making to improve accordingly.

It is difficult to assess the meaning of these figures. Mr. Essaman feels that parents are choosing blindly, but this attitude is as much a consequence of his views as an observation on the data.

Although some parents are making decisions of some sort, it remains that over 86% are still sending their children to their neighborhood school. This may be because they are satisfied with the school and it may be because they do not know what else to do. The available information is insufficient for a further determination.

Some 62% of families with more than one child are sending all their children to the same school. Given a family of six children (the average family size in Alum Rock), what is the probability that all of them are best suited to the same type of educational program? Perhaps the answer is 62%. If so, then parents in Alum Rock are indeed choosing wisely. It is more likely that the true probability is much lower, but we have no information to guide us to the answer.

For now, our information is too spotty and the Alum Rock project is too young for the question phrased in Objective 3a to be answered.

Objective 3b of the field study is an assessment of whether the existence of competition has created greater diversity in the schools. Our answer to this question can

be definite. Before the introduction of vouchers there were only two types of classrooms in Alum Rock. The majority were variations of traditional classrooms. The remainder were open classrooms. Because of lack of money, many teachers who wanted to expand their classroom operations into new areas were unable to do so. A creative urge was unquestionably strong in many teachers but remained unsatisfied due to lack of funds. When vouchers brought with them significant federal funding, an innovative explosion appears to have taken place.

For the 1973-4 school year, thirteen schools participated. Within these schools were forty-two programs. They have been classified by the EVAC into nine basic types. The categories are in all cases self-explanatory.

Fifteen programs are classified as Traditional/Academic. Six are classified as Learning by Doing. Five are considered Innovative/Open Classroom. There are four Individualized Learning Programs and four Fine and Creative Arts programs. Three programs are classified Multi-Cultural and three more are reserved for Kindergarteners. Two programs are Bilingual/Bicultural and one is reserved for gifted students.

A brief analysis indicates the following. If Learning by Doing, Innovative/Open Classroom and Individualized Learning programs are considered species of the same genus, then it appears that there are an equal number of traditional and "innovative" classroom programs in operation. Of the remain-

ing twelve programs, three are restricted to Kindergarteners and one is restricted to gifted children. There are nine programs left which do not fit easily into popular educational categories. These nine programs are all thoroughly new, the result of creativity on the part of the teachers who developed them.

This last group represents 21% of the total. If we lump this group with the "innovative" classroom programs, we find that some 57% of the programs are in one way or another out of the ordinary. In comparison, the programs of non-voucher schools lean much more heavily to the traditional classroom.

It is clear that diversity in the schools is a fact. Our question asks if the diversity was the result of competition. It does not appear that this is the case. The teachers in this district wanted to innovate before vouchers were introduced. They were able to do so after vouchers were introduced only because vouchers carried extra money into the district. Had vouchers not brought such funds into Alum Rock, it is not at all clear that teachers could have brought about the changes which did occur.

If the money which enabled the teachers to change had come in some other form, perhaps as a direct grant from the federal government, it seems likely that innovations would

have occurred. In short, these teachers wanted to innovate. They did not require competition as a stimulus to motivate them to innovate. What they did require was money. Only in the sense that vouchers provided money can they be said to be the cause of the resulting diversity.

The final objective of the field study is an investigation of how, if at all, participation in the voucher project has affected the roles of principals and teachers. Six principals were interviewed. These were the principals of the six schools which had completed their first year of participation in the project at the time of the study. Their names and schools follow.

1. Mr. Donald Ayers, Millard McCollam School,
2. Mr. Thomas Fay, Donal Meyer School,
3. Mr. Armen Hanzad, Pala School,
4. Mr. James O'Berg, Mildred Goss School,
5. Mr. Frank Wilkens, Grandin Miller School, and
6. Mr. Jerry Witt, Sylvia Cassell School.

Mr. Wilkens had a number of strong reservations concerning the ability of vouchers to change the roles of principals and teachers. Mr. O'Berg felt that participation in the program had produced radical changes at his school. The remaining four principals held positive, but more moderate, views.

Mr. Wilkens felt that vouchers had enormous potential. At the time of our discussion, he felt that that potential had not been fulfilled to any important extent.

While a great many programs had developed, Mr. Wilkens felt that these were not substantially different from pre-existing programs. He felt that teachers had been promised much more autonomy than they actually received.

As the planning year progressed, Mr. Wilkens learned that his teachers could not come to any common agreement on goals for the school. They split into factional camps. Some teachers were not included in any group. Hurt feelings, unspoken resentments and devastated teaching performances were the result.

When it came time for parents to begin making their selections, a number of teachers at Miller School began openly campaigning for vouchers. There were accusations of unfair advertising. The practice was stopped by district officials.

When the dust had cleared from these events, Miller School learned that the families who had been attending it had strong loyalties to the school. As a result, Miller was oversubscribed and the efforts to secure an adequate market had proven unnecessary.

Mr. Wilkens saw no change in his role as principal. He remained chief disciplinarian, business manager, evaluator, and considered himself responsible for the smooth operation

of educational programs.

Mr. Wilkens noted that it is impossible to transfer a teacher out of a school against the teacher's will. As a result, teachers who do not approve of program changes or who do not wish to participate in any mini-school program can disturb the life of the entire school. Teachers who cannot fit comfortably into any program must be forced to join one program or another. A number of difficult situations have arisen as a result.

Four principals were optimistic about changes which had occured, though not without some reservations. These principals included Mr. Hanzad, Mr. Ayers, Mr. Witt, and Mr. Fay.

Mr. Hanzad felt that the program's biggest contribution was in the financial opportunity which it had given to the community. His school had been successful in attracting members of the community to meetings where they became involved in planning programs and budgets. However, Mr. Hanzad pointed out that his school has always enjoyed strong parental involvement.

His school had taken the radical step of including students on the advisory board of each mini-school. He felt that students had made a meaningful contribution to the school's operation.

He felt that teachers had changed as a result of par-

ticipation in the program. In his view they have become more innovative and have a stronger commitment to finding effective solutions to their educational problems. He emphasized that these traits had always been present in the staff and that vouchers had enabled them to become active.

His own role underwent major changes. The assistant principal has taken over most duties relating to business management and curriculum development. The principal himself is less involved in disciplinary problems because there are now fewer problems of that kind. At the same time, the program has created a large number of visitors. Mr. Hanzad spends a great deal of time showing visitors around the school and talking with them. Much of the rest of his time is spent selling the Pala program to parents and explaining the program to elementary teachers in the hope of creating greater curriculum articulation. (Pala is a middle school.)

Mr. Ayers reported similar changes. Because vouchers were involving teachers in more decisions concerning curriculum and budget management, his own involvement in these areas had decreased markedly. Like Mr. Hanzad, he had become more involved in public relations and in dissemination of information than in direct decision making.

He stated that because teachers feel that they are in a "fishbowl" they are more highly motivated to work harder. As they have done more work, there has been less for him to

do. His participation in decision making was limited to facilitation of others' decisions.

He felt that the organization of his school had been autocratic before the implementation of the program. Increased participation in school affairs by teachers and parents had transformed the organization into a much more democratic one, in his view.

Mr. Witt of the Cassell School was openly impressed with the program and felt that it offered many advantages to students. He was the only principal to comment that the fact that students were at the schools by choice seemed to give them more motivation to learn.

Vouchers had caused his teachers' roles to change. His opinion is that they are under a fair amount of pressure to attract students to their programs. He feels that the teachers have accepted this pressure and used it positively. Teachers at Cassell spent more time in voluntary planning sessions during the summer of 1973 than at any previous time.

His own role had changed in ways similar to those mentioned by Mr. Ayers and Mr. Hanzad. Instead of having to run one school with six hundred students by himself, Mr. Witt had four people to run four schools of one hundred fifty each. His own job became much more that of an advisor and facilitator. Unlike Mr. Ayers and Mr. Hanzad, Mr. Witt did not choose

to spend a great deal of time involved in public relations. One change which Mr. Witt was alone in noting was some increase in paperwork as a result of vouchers. Perhaps the fact that principals were passing most of their paperwork along to heads of mini-schools is the reason others did not mention the same thing.

Mr. Fay was available for a very brief interview. He seemed to agree in substance with all that has been said by the three previous principals. He had abdicated a large amount of responsibility for the operation of the school and had delegated it to teachers.

The reason for the brevity of the interview points out one of the pitfalls which participating may fall into. During the early part of the summer of 1973, the school had become overenrolled. Mr. Fay left it to the teachers to decide what to do with them. The teachers decided that the additional voucher income seemed attractive and decided to open their doors to all applicants. The consequence of this decision was that the school was going to have to move beyond its own walls and add a number of portable classrooms, but the teachers did not carefully consider this fact.

In the words of one teacher, "Everyone thought it would be someone else who'd have to go." During the last week of

August, 1973, when this visit took place, several teachers were furious because they were being transferred from their former classrooms to portables. ( In the process of trying to secure an interview with them, they told me that they had been in tears all morning and were not speaking to anyone.)

In this case the diffusion of responsibility meant that no one is taking any responsibility at all. The combination of a serious miscalculation by teachers, their principal's miccalculation of their ability to make decisions, and an emotional situation promised to ruin morale for weeks.

Mr. O'Berg was the most enthusiastic supporter of the voucher program among the principals. He also had the strongest views concerning the effect of vouchers on the roles of principals and teachers.

He agreed that principals will take on less and less direct responsbility for decision making. He went further and predicted that the voucher program may cause the role of the principal to disappear altogether. He viewed this as a positive development and sees signs of the dissolution of his role at his school. His teachers were making more decisions without consulting him and he was encouraging them to do so. He felt that his role will shift towards program development and research, although his title may change.

In his view, the influx of federal funds attached to

vouchers has had a great effect on his teachers. The money helped to create fresh possibilities in the minds of his staff. They were able to take a more creative and positive attitude toward their students. He observed that teachers were more conscientious about their work during the first year of voucher operation than they were previously. He felt that their approaches to problem solving were more creative and self-reliant.

With only one exception (Mr. Wilkens), principals uniformly perceived major changes in their roles and in the roles of their teachers. It appears that vouchers have the ability to influence management styles. Diffusion of responsibility, democratic decision making, and leadership through facilitation are the chief hallmarks of vouchers' effects.

It is interesting that principals noticed the decrease in their direct responsibility much more than teachers noticed the increase in their own. Teachers seemed to notice the tangible benefits of vouchers to the exclusion of others.

Twenty teachers were interviewed. There were plans to interview many more than this number, but the responses of the initial group were so thoroughly uniform that further interviews were deemed unnecessary.

All teachers interviewed felt that parents were more involved now than before the introduction of vouchers. Parents

have always been involved in education in Alum Rock, but had become even more involved during the preceeding school year.

The only other change which teachers noted was the fact that there is now a strong steady flow of federal money coming directly to the schools. In fact, most teachers, when asked what changes vouchers had produced, spoke in terms of equipment, materials, and other tangibles.

No teachers felt that they were under pressure as a result of competition, although many claimed that there are other teachers who are.

It was easy to develop the impression that teachers were not really giving much thought to their position in the voucher program. More likely, teachers were simply too busy with their teaching responsibilities to think about anything else. In any case, their opinions concerning changes in their role were not useful to the purposes of the study.

Chapter IV has presented a description of the voucher operation in Alum Rock, attitudes of upper echelon participants, and changes in the roles of those on the front lines. Before turning to a concluding chapter, some space will be devoted to the findings of the Rand Corporation which were released by NIE in "Education Vouchers: The Experience at Alum Rock" (1973). These are the only findings of the Rand Study presently available.

Two surveys were conducted, one in the Fall of 1972, the

other in the Spring of 1973. The pairs of numbers following an entry indicate the 1972 and 1973 findings, respectively.

In its survey of parents, Rand found that:

1. Most parents like the idea of having a choice about the schools their children attend (83%, 95%),

2. Most parents believe that their children get a better education if their parents select the school they go to (57%, 75%),

3. Most parents believed that giving them a choice makes teachers more responsive to complaints and suggestions (66%, 76%),

4. By 1973, most parents believed that they should help to decide about hiring and firing of teachers (36%, 53%), and of principals (52%, 69%),

5. Most parents believed that vouchers will provide greater control over their childrens' education (53%, 69%), and will improve the quality of education they receive (77%, 89%),

6. In both Fall and Spring, parents in Alum Rock were 20% more satisfied with their schools than was a national sample, and

7. In the Spring, 25% of parents believed that the program offerings of the schools were insufficient. (pp. 9-10).

In its survey of teachers, Rand found that:

1. In 1972, 50% of teachers believed that vouchers would improve education. In 1973 this figure was 51%. However, in

the Spring, teachers in voucher schools agreed with the statement 74% of the time, while only 33% of teachers in non-voucher schools agreed. Among teachers joining the program for the first time in 1973, 56% agreed.

2. In response to the question "Aside from increased funds, which of the following are the main advantages of the voucher demonstration?" the following responses were recorded. Teachers were permitted to make as many responses as they liked.

a. Improved teacher teamwork (75%),

b. Improved curriculum (87%),

c. Student transfer option (66%),

d. Good learning experience for teachers (84%),

e. More authority for teachers ( 67%),

f. Greater opportunity to innovate (96%),

g. Upgrading of teachers' professional role (57%),

h. Greater parent involvement (72%).

3. The following disadvantages were noted:

a. Too many meetings (87%)

b. Pressure from parents (15%).

4. In the Spring, 83% of the teachers in voucher schools thought the program was helping students, while only 30% of the teachers in non-voucher schools thought so.

5. Two-thirds of the teachers believed that parents had more say in educational matters. (pp. 11-14)

Rand found that principals and administrators felt they

were acting as facilitators more than previously. They perceived that they were more actively involved in allocating resources and in helping teachers to plan than before. (p. 14)

Information concerning student achievement was not available from Rand since the analysis of achievement test scores was not yet completed.

The findings also indicate that some work needs to be done in bringing information to parents, although some progress had been made. In 1972 half the parents did not know that they could transfer their children to new schools. Parents who had never heard of the project numbered 17%. This figure had been reduced to 10% by 1973. By Spring, 1973, 80% of parents understood that they could transfer their children, but 21% still did not know which program their children were enrolled. (p. 15)

There is little to comment on concerning these figures. The information is more precise and more broad than the findings of this study, but the two tend to bear each other out. The enthusiasm of teachers for the program and the changing role of administrators are significant points of agreement between the two investigations.

The importance of these findings is much smaller to this study than it will be to Rand's. They would have been quite important if we could have concluded from our investigation that a true voucher program was in operation in Alum Rock. Chapter V will outline why this conclusion was not reached.

# C H A P T E R V

# CONCLUSIONS

## Section 1

## An Evaluation of the Alum Rock Project

There is no question that a number of positive changes have occured in the Alum Rock schools as a result of their participation in the experimental voucher project. The administrators of the project, the representatives of the local teachers' union, and the building principals are in general agreement that the following changes have occured.

Parental involvement in the schools increased. Parents became more involved in decision making. They made known to the mini-schools their desires relating to educational programming.

Parental interest in the schools has always been high. Mr. O'Berg, one of the principals interviewed, noted that a school levy has never failed in Alum Rock. In addition, a survey conducted by his school before the introduction of vouchers found that 80% of the parents whose children were attending Goss School felt that they had a voice in directing the school's activities. The survey serves to point up the fact that vouchers have not caused parents to become active in school affairs. What they have done is provide an opportunity for parents to become even more involved in the educ-

ation of their children.

A second achievement of the voucher experiment is the democratization of management in the participating schools. Only one principal, Mr. Wilkens, reported that his role has remained unchanged. Teachers have been given the responsibility for designing educational programs. They have accepted the responsibility willingly.

The designing of an educational program requires careful long-term planning. When teachers accepted the responsibility for designing their own programs, they necessarily took upon themselves the burden of performing such planning. The decisions which teachers had to make in the process of carrying out their newly expanded duties were decisions which principals have traditionally had to make. As teachers proved that they were able to design, plan, and perform adequately, the principals came more and more to resemble advisors and facilitators.

In addition, teachers have taken on many of the day to day managerial responsibilities. Disciplinary functions, supply functions, and record keeping are responsibilities which are flowing away from principals and towards teachers.

A third achievement of the voucher experiment is the creation of diversity in program development and in classroom design. The field study indicated that there is somewhat

greater diversity among programs than there was before the introduction of education vouchers. Teachers began to experiment with novel program designs as soon as vouchers provided the funds to do so. (See pp. 114-7.)

Finally, the voucher experiment has enabled teachers to become more creative in their approaches to instructional problems. The funds provided by the project have bought the equipment and materials necessary to make educational creativity possible.

In every one of these achievements, the voucher experiment is a proximate cause. Parents were heavily involved in the schools. Teachers were aching for the means to use their creativity in the creation of new educational programs and in the development of new classroom techniques. Both principals and teachers were willing to experiment with innovative management techniques.

All these things were ready to happen. The only problem was funding. Local property tax receipts, supplemented by state and federal grants, were enough to keep the district going but no more.

The voucher project provided the funds required to take the district beyond the subsistence level. Voucher expenditures in 1972-3 were $1,700,000. In 1973-4 they were $3,000,000. Approximately half of these amounts went to the

classrooms of participating schools. Given the poverty of the district, its potential for change, and the purposes of the funding, it is difficult to imagine that the project would not produce many benefits.

The funding which the project brought to the district has produced these benefits. What part have the vouchers themselves played in the success of the project? The answer appears to be "very little." The funds to be distributed to classrooms were divided among the children to be educated and were called vouchers. Beyond that, they bear no resemblance to the vouchers discussed in Chapters I and II.

In each of the voucher proposals presented on pages 11-13, vouchers were understood to be a result of the division of a district's available educational funds among all the school-aged children in the district. In some cases the value of a low-income child's voucher may be increased; in others the division remains equal. A voucher is not an additional grant. It is each child's share of the available educational budget.

Vouchers were not used in Alum Rock. The community's educational funds were distributed as usual, directly to the schools. Additional federal funds were granted to the schools in proportion to the number of students attending them.

The difference between these two is not merely semantic.

Suppose there is a school filled with incompetent teachers. Suppose also that many members of the community recognize them as incompetent and choose not to send their children there. As a result, the school is operating at only half of its capacity.

In a true voucher system, this school will not receive enough funds to keep all of its teachers. Some will have to go. The market moves money away from perceived incompetence and forces incompetent teachers out of the schools.

In Alum Rock, the school will receive its full operating budget. Teachers must be paid. The school will not receive as much additional money for materials as others, but it can continue to operate. In this case, the market is not permitted to work against perceived incompetence. The market can only withold excess funds.

That Alum Rock's vouchers have little to do with competition is demonstrated by the fact that there is only one middle school participating in the program. Federal funds are being paid to the school in the form of vouchers, but it is not competing to get them. In any of the seven proposals presented in Chapter I, the statement "only one school in this district is participating in the voucher program" would be nonsense. Within the conceptual framework of a true voucher system, such a statement cannot be taken seriously.

The same statement can be made in Alum Rock because the word "voucher" is being used entirely differently.

Other differences between the Alum Rock project and current voucher models have been commented on previously (see pp. 67-76). The only one of these to be treated here is the fact that no private schools may participate in the Alum Rock program. If no private schools are participating, one wonders if there is any need for vouchers at all, either in the Alum Rock sense or in the usual sense. A completely public system can be operated much more simply.

The city of Tacoma, Washington has recently adopted a free choice system. Parents may send their children to any school in the city provided there is room. Children who wish to stay in their neighborhood school are guaranteed a place in it. The city supplies transportation. Budgetary adjustments are made when needed to insure that all children have equal educational facilities.

The Tacoma system is not a voucher system and no one has claimed that it is. Yet, if federal funds were removed from the Alum Rock program, it would resemble Tacoma's free choice system in every important detail.

The Alum Rock project has many fine achievements to its credit. Unfortunately, providing a working model for future voucher plans is not one of them.

## Section 2

## The Current Status of Vouchers

The controversy which surrounds the topic of education vouchers has moved from the educational journals to the state legislatures. Fifteen states have considered implementing voucher programs. Opposition from the NEA and the AFT has been strong and consistent. Proponents of voucher plans have been able to score only one victory.

Ross (1973) reports the following legislative action. In California, the legislature rejected a bill which would have established a five year experimental voucher project which would have permitted parents to send their children to any public or private school of their choice.

The Connecticut legislature passed a bill which permits six districts to apply to the Department of Health, Education, and Welfare for scholarship funds. The program is called a voucher program. Since it has no relationship to vouchers as understood here, passage of this bill is in no way a victory for voucher proponents.

The state of Delaware was considering a bill which would have authorized a statewide voucher program permitting non-public schools to participate. The bill was stricken from the calendar.

An administrative decision has been made in Hawaii

to observe developments in voucher programs in other states, but not to participate for the present.

In Kansas, the legislature defeated a bill which would have authorized the state to grant vouchers worth $300 to students attending schools teaching courses approved by the state board of education.

The Maryland legislature passed a bill which permitted the state to aid non-public schools through voucher payments. After passing the legislature the bill was presented to a general referendum and was defeated by the voters.

In 1972 the Massachusetts legislature asked for a report on the feasibility of adopting a voucher plan open to all schools. The report was not received by the prescribed date and the measure automatically failed. The State Supreme Court ruled that the measure would have been unconstitutional. If parochial schools were made ineligible, the Court thought the bill would be acceptable.

The Missouri legislature rejected a bill which would have permitted tuition reimbursement to private school students through the use of vouchers.

In New York, a study on the feasibility of implementing a voucher plan was submitted to the legislature, but no action was taken.

The Ohio legislature has authorized a committee to

study the possibility of developing a voucher plan in the state.

In Tennessee, a bill which would have authorized the state to use vouchers as part of the state program to aid local districts was rejected by the legislature.

In 1972, the Texas legislature authorized a study on vouchers to be undertaken. The report was due by the end of the 1973 session, but no committee was appointed.

The West Virginia legislature defeated a bill which would have authorized a voucher plan which included private schools.

A committee of the Wisonsin legislature has completed a report on education vouchers which had not been submitted at the time of Ross' report.

The only state which has shown a willingness to experiment with vouchers is New Hampshire. Seven districts have applied to the National Institute of Education for planning grants in order to become more fully informed as to the probable impact of a voucher test. The results of the study will be presented to the people of the districts for approval in March, 1975. If approved, proposals for implementation will be presented in Washington. The test will not take place until September, 1975 and then only in those districts which vote to test the concept. Information regarding the proposed test was made available by William H. Milne, New Hampshire Voucher Project Director.

If there are no administrative problems, the New Hampshire project will begin in September, 1975. It offers the hope that a true voucher plan can be tested and the results evaluated. If the theoretical considerations in the first part of this paper are valid, there is every reason to believe that the New Hampshire project will be successful.

The proposal for New Hampshire vouchers most closely resembles the CSPP Proposal. The value of a voucher will be determined by dividing the communities' educational resources by the number of students to be educated, with one important proviso. Any additional expense incurred by an influx of private school students will be absorbed by the federal government.

For example, a community of 5,000 students, 1,000 of whom attend private schools, will continue to fund its 4,000 public school students. The federal government will fund the private school students whose schools participate in the test, provided that the private schools are non-sectarian. In this way, vouchers will represent each student's share of the available educational budget. In Alum Rock, it will be recalled, vouchers represented a share of a federal grant, the school budgets remaining unchanged.

The present timetable for implementing the program indicates that the first year of testing, 1975-6, will involve only public schools. During 1976-7 and thereafter, non-sectarian private schools are eligible to participate. The safeguards

against discrimination, including an EVA, which are so much an essential part of the CSPP Proposal, are reproduced in the New Hampshire plan. If the various projects in New Hampshire are implemented and if they reproduce the conditions projected by the CSPP model, the participating communities will provide an excellent test of the validity of the principles which are the foundation of the CSPP plan.

If New Hampshire can demonstrate that the use of educational vouchers can invigorate the educational enterprise, it is possible that some of the legislative action reported will be reversed. Whether education vouchers are to be the wave of the future or another passing fashion may be known in a few years. The idea deserves to be tested.

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